Toward a Theory of Conservative Party Cohesion and Schism: 
El Salvador’s Nationalist Republican Alliance (ARENA) in Comparative Perspective, 1980-2009

Presented to the 
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“Un intelectual debe ocuparse de cosas que lo conmueven moralmente. Cuando escribo es porque estoy enojado o preocupado por algo, no porque pienso que debo llenar tal o cual agujero en la literatura. Escribo sobre las cosas que me preocupan cuando me afeito. Y muchas veces me corto.”

- Guillermo O'Donnell¹

“Si quieren ganar, pues aprendan a ser amigos.”

-ARENA Founder Roberto D’Aubuisson, c. 1987²

¹ “An intellectual must occupy himself with the things that move him morally. When I write it is because I am angry or worried about something, not because I think that I should fill a hole in the literature. I write about the things that bother when I shave in the morning. And many times I cut myself.” Quoted in Spanish in interview by Cecilia Sosa, September 14, 2003. Translation my own.

² “If you want to win, then learn how to be friends.” Quoted in Spanish by an ARENA Co-Founder, interview by the author, San Salvador, June 23, 2014. Translation my own.
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## Important Acronyms

<table>
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<th>Acronym</th>
<th>Description</th>
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<tbody>
<tr>
<td><strong>ANEP</strong></td>
<td>El Salvador’s National Private Business Association <em>(Asociación Nacional de la Empresa Privada)</em>. Founded in 1966, today the ANEP represents the interests of over 14,000 private businesses.</td>
</tr>
<tr>
<td><strong>COENA</strong></td>
<td>The National Executive Council <em>(Consejo Ejecutivo Nacional)</em> is ARENA’s highest-ranking executive body. Composed of fifteen officers, the COENA President is effectively the president of the party.</td>
</tr>
<tr>
<td><strong>FMLN</strong></td>
<td>The Farabundo Marti National Liberation Front <em>(Frente Farabundo Martí para la Liberación Nacional)</em> is El Salvador’s largest left-wing party. Founded in 1980 as an insurgent guerrilla organization, the FMLN has been in control of the presidency since 2009.</td>
</tr>
<tr>
<td><strong>FUSADES</strong></td>
<td>The Salvadoran Foundation for Economic and Social Development <em>(Fundación Salvadoreña para el Desarrollo Económico y Social)</em> is a conservative think tank founded in 1983.</td>
</tr>
<tr>
<td><strong>IVA</strong></td>
<td>El Salvador’s value-added tax <em>(impuesto al valor agregado)</em>.</td>
</tr>
<tr>
<td><strong>PCN</strong></td>
<td>The National Conciliation Party <em>(Partido de Conciliación Nacional)</em> was El Salvador’s largest conservative party between 1961 and 1979.</td>
</tr>
<tr>
<td><strong>PDC</strong></td>
<td>The Christian Democratic Party <em>(Partido Demócrata Cristiano)</em> was founded in 1960. It became El Salvador’s largest political party in the 1980s, but has since become electorally weak.</td>
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Introduction

On October 12, 2009, El Salvador’s most powerful conservative party—the Nationalist Republican Alliance (*Alianza Republicana Nacionalista*, or ARENA)—hoped to begin anew. The previous twelve months had been the most tumultuous year in the party’s decades-long history: in March 2009, after a highly divisive presidential nomination process and an even more polarizing campaign, ARENA had lost a presidential election for the first time since 1984.\(^1\) The result had been a veritable “minefield of discouragement, sombre diagnostics, and apocalyptic rumors” that the party had been “barely able to navigate.”\(^2\) In its wake, ARENA’s oft-cited “granitic unity” had given way to months of finger-pointing and vicious internal criticisms.\(^3\)

The time had come to reunite the party and move forward. On October 11, 2009, ARENA’s highest executive body—the National Executive Council (*Consejo Ejecutivo Nacional*, or COENA)—carefully orchestrated the party’s first General Assembly since the bitter presidential defeat:

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\(^{1}\) Geovani Galeas and Marvin Galeas, *Las claves de una derrota: Cómo y por qué ARENA perdió las elecciones* (San Salvador, El Salvador: Editorial Cinco, 2009), v. Translation my own.

\(^{2}\) Ibid.

The incoming National Executive Council, led by former President Alfredo Cristiani [1989-1994] and ratified that same day by the assembly delegates, shook hands with the outgoing leadership, led by President Antonio Saca [2004-2009] and blamed for that traumatic electoral failure and an endless list of collateral political grievances. The call for reunification rang loud and was embraced by all of those present. It was like the touching portrait of a family reuniting after leaving behind the internecine intrigues that had fractured it and left it in a state of exhaustion.⁴

“I went home feeling relieved that the world had returned to normalcy,” reminisced a member of the incoming party leadership. “I slept like a baby for the first time in many, many months.”⁵

The touching image of reunification, however, was quickly torn apart. Early the following morning, a faction of the ARENA legislative caucus publicly declared itself “in rebellion,” threatening to abandon the party unless the new COENA complied with several political demands.⁶ At the conclusion of the “devastating political thunderstorm” that ensued, the dissidents—who grew quickly in both number and ambition—had abandoned ARENA and announced

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⁴ Galeas and Galeas, Las claves de una derrota, v. Translation my own.

⁵ Interview with the author, San Salvador, June 3, 2014. By mutual agreement, most of the interviews and personal communications I conducted in El Salvador will be reported anonymously.

the formation of a new conservative party, the Grand Alliance for National Unity
(*Gran Alianza por la Unidad Nacional,* or GANA).\(^7\) Outgoing President Elías
Antonio Saca—the presumptive leader of the dissidents—was quickly expelled
from the party he had led for over half a decade.\(^8\) On the whole, the crisis was a
seismic political shock: it created a new legislative balance that left ARENA
virtually powerless and precipitated an unprecedented process of institutional and
programmatic reform within the party.\(^9\)

ARENA—by almost every measure the most successful conservative
party to emerge from Latin America’s Third Wave\(^10\)—had experienced its first
schism in thirty years. A newspaper headline famously, ominously, and accurately
referred to the schism as “ARENA’s darkest hour.”\(^11\)

ARENA’s transition from cohesion to schism raises a series of unanswered
question in political science: What explains variation in party cohesion? Why are
some parties consistently more “unified” or “integrated” than others? Why do
sudden (and not so sudden) schisms happen, especially among historically

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\(^7\) Galeas and Galeas, *Las claves de una derrota,* v. Translation my own.


\(^9\) Ibid.

\(^10\) Riita-Ilona Koivumaeki, “El Salvador: Social Cleavages, Strategic Elites, and the
Success of the Right,” in *The Resilience of the Latin American Right,* ed. Juan Pablo
Luna and Cristóbal Rovira Kaltwasser (Baltimore: Johns Hopkins University Press,
2014), 268.

\(^11\) Carlos Martínez, “La hora más oscura de ARENA.”
In order to understand ARENA’s 2009 schism, answering these theoretical puzzles is the central task of this thesis.

In doing so, I develop an institutional theory of cohesion and schism among conservative parties. The theory incorporates two broad arguments. First, I argue that power-sharing institutions—the rules and procedures that parties adopt in order to structure and regulate internal competition for power and resources—are key determinants of cohesion. In particular, I hypothesize that parties with power-sharing institutions that are both exclusive and highly enforced are more likely to experience high levels of internal cohesion. Second, however, I argue that these same exclusive and strictly enforced institutions reduce a party’s adaptive capacity—its ability to adjust successfully to major changes in the environment. During periods of what I call coalitional adjustment, the inability of parties to adapt can lead to schisms, often accompanied by the collapse or sudden replacement of power-sharing institutions. Crucially, the theory predicts a likely tradeoff between short-term and long-term cohesion for conservative parties.

In its exploration of ARENA’s power-sharing institutions, this thesis also provides new insights into the origins of institutional informality. In particular,

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12 In simple terms, I define schism as the process whereby one electorally significant party breaks down into two or more electorally significant parties. I explain and expand upon this basic definition in Chapter 1.

13 Informal institutions are “socially shared rules, usually unwritten, that are created, communicated, and enforced outside officially sanctioned channels” (Gretchen Helmke and Steven Levitsky, “Introduction,” in Informal Institutions & Democracy: Lessons from Latin America, ed. Gretchen Helmke and Steven Levitsky [Baltimore: Johns Hopkins University Press, 2006], 5). Though they are widely spread in Latin America and the world, we continue to know relatively little about why informal institutions come about or how they change (Helmke and Levitsky, “Introduction,” 19-25).
the evidence suggests that institutions are likely to be informal when they are adopted by small, homogenous populations in environments marked by conflict, violence, and threat.

In this introduction, I outline the relationship between cohesion, party-building, and democracy, present a brief summary of the ARENA case, and outline my research strategy. I conclude with a quick description of the subsequent chapters.

**Party-Building, Cohesion, and Democracy**

Political scientists have long argued that democracy is “unthinkable” and “unworkable” without political parties.\(^{14}\) Though recent experiences have challenged these universalistic claims,\(^{15}\) there is little doubt that parties tend to serve as a central pillar of democratic regimes: they can, for example, help overcome problems of collective action, mobilize and inform voters, represent the interests of diverse groups, streamline the legislative process, and hold politicians accountable for collective outcomes.\(^{16}\) Parties, in short, tend to be “critical” to the

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\(^{15}\) Since the Third Wave, nations like Peru and Guatemala have transitioned to relatively stable democracies despite their inchoate and fragmented party systems.

“achievement, performance, and stability of democracy.” This may be particularly true of conservative parties, the existence of which has been associated with better democratic outcomes.

Despite their clear importance, however, we know relatively little about the conditions under which strong and long-lasting political parties emerge. Particularly in the context of Latin America’s Third Wave democracies, only until recently have students of the region begun to ask fundamental questions of party-building: Under what conditions do strong political parties emerge? What are the organizational and institutional requisites of successful party-building? Why are long-lasting parties so rare in contemporary Latin America?

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19 For an overview of existing theories and their shortcomings, see Carles Boix, “The Emergence of Parties and Party Systems,” 501-507.

One early point of consensus in this new party-building literature is that successful parties require *internal cohesion*.\(^{21}\) Indeed, the “regional landscape” of contemporary Latin America is “littered” with parties that, unable to foster internal cohesion, have become extinct or electorally insignificant as a result of schisms.\(^{22}\) Schisms have afflicted parties on both the right (e.g. El Salvador’s ARENA) and the left (e.g. Peru’s United Left [*Izquierda Unida*, or IU]), in countries as politically diverse as Mexico (where the dominant PRI split in 1989) and Guatemala (where the once-ruling National Advancement Party [*Partido de Avanzada Nacional*, or PAN] has gone through a several splits since the late 1990s).\(^{23}\)

Though many theories of party-building acknowledge the importance of creating internal cohesion and avoiding schisms,\(^{24}\) there is, to the best of my knowledge, no study that develops a general theoretical argument to explain variation in cohesion and schism across space and time. The goal of this thesis is


\(^{22}\) Levitsky, Loxton, and Van Dyck, “Introduction,” 1.

\(^{23}\) As these cases demonstrate, not all schisms lead to party collapse. In all of these examples, however, schisms did result in important changes to both the parties they afflicted and their party systems.

\(^{24}\) See, especially, Steven Levitsky, James Loxton, Brandon Van Dyck, and Jorge I. Domínguez, eds., *Challenges of Party-Building in Latin America* (Forthcoming).
to begin filling that scholarly gap by presenting and applying an institutional theory of cohesion and schisms among conservative parties.

**A Brief Introduction To ARENA: From “Granitic Unity” to the “Darkest Hour”**

The Nationalist Republican Alliance was founded officially in 1981, during the opening years of the Salvadoran Civil War (1979-1992). Since the 1930s, a small class of landed elites (known as the Fourteen Families) had dominated Salvadoran politics through a powerful alliance with the Armed Forces and the Catholic Church. In the 1970s, however, this “protection racket” coalition gradually disintegrated under pressures from insurgent leftist movements, the Carter government, and an increasingly progressive church. In October 1979, a reformist movement of junior military officers staged a coup d’état and established a *de facto* Revolutionary Government Junta that would rule El Salvador for the next three years. For the first time in Salvadoran history, economic elites had lost access to the state.

ARENA emerged in response to this sudden crisis of elite representation. Conceived by a small cadre of party entrepreneurs (and in particular by former army intelligence officer Roberto D’Aubuisson), ARENA was able to bring

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27 Ibid., 75.
together El Salvador’s two major elite constituencies: the traditional landed oligarchy and a rapidly emerging commercial bourgeoisie. The party quickly developed the distinctive brand, territorial organization, and powerful internal cohesion that would allow it to dominate Salvadoran elections for two decades.

As Figure 1 below shows, ARENA won four successive presidential elections between 1989 and 2009, as well as pluralities in five of eight legislative elections starting in 1988.

By the late 1990s, ARENA’s so-called “granitic unity” had become a basic tenet of Salvadoran democracy. The party avoided and quelled internal divisions swiftly, enforced strict party discipline, introduced and approved controversial legislation as a unified bloc, and established a well-known array of symbols and rituals that both celebrated and reinforced its internal cohesion. By contrast, ARENA’s principal rival on the left—the Farabundo Martí National Liberation Front (Frente Farabundo Martí para la Liberación Nacional, or FMLN)—was routinely crippled by internal divisions, defections, and schisms.

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28 Diana Villiers Negroponte, *Seeking Peace in El Salvador: The Struggle to Reconstruct a Nation at the End of the Cold War* (New York: Palgrave MacMillan, 2012), 54-57. Throughout this thesis, I often refer to the individuals who belonged to each of these constituencies as oligarchs and capitalists, respectively.

29 These are the three organizational requirements of party-building identified by Levitsky, Loxton, Van Dyck, and Domínguez in *Challenges of Party-Building in Latin America*. Lupu defines party brands as “perceptions of party prototypes” that voters develop “based on what they see parties say and do over time” (Noam Lupu, “Brand Dilution and the Breakdown of Political Parties in Latin America,” *World Politics* 66, no. 4 [October 2014], 568).

30 Galeas and Galeas, *Las claves de una derrota*, 101-123.
In the context of both El Salvador and Latin America, ARENA’s cohesion was far from a foregone conclusion. Internal instability and schisms—as opposed to durability and cohesion—were the norm among parties emerging during this period. This can be seen in the data compiled in Riita-Ilona Koivumaeki’s study, “El Salvador: Societal Cleavages, Strategic Elites, and the Success of the Right.”

*In 1988 and 1991, there were only 60 seats in the Legislative Assembly. **Run-off election.

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period of Latin American (and, in particular, Central American) history. In El Salvador, the challenges of crafting a cohesive elite-based party were compounded by profound internal divisions among socioeconomic elites. While oligarchs and capitalists had much to gain from cooperation—especially in the presence of an insurgent Marxist guerrilla and a reformist government junta—academic and popular narratives of ARENA’s formation vastly underestimate the divisions between these two constituencies.

Nowhere were these divisions more evident than with respect to land redistribution. The revolutionary junta’s plan to expropriate and redistribute large haciendas was nothing short of an existential threat to the landed oligarchs. Meanwhile, land redistribution was an important component of the liberal economic model embraced by the budding capitalists. Thus, while avoiding agrarian reform was the chief objective of the landed oligarchy, at least one capitalist standard-bearer went as far as to personally lobby the junta in favor of faster and more extensive land redistribution.

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32 The National Advancement Party (Partido de Avanzada Nacional, or PAN) in neighboring Guatemala is, perhaps, the most striking illustration of this trend. ARENA and the PAN faced very similar initial conditions: they were both founded in the midst of civil war and in response to crises of elite representation, they both embraced similar conservative ideologies, party brands, and neoliberal policies, and they both won the presidency in the 1990s with the support of similar electoral coalitions. The PAN, however, quickly became irrelevant following a series of schisms. James Loxton, “Authoritarian Inheritance and Conservative Party-Building in Latin America,” (PhD diss., Harvard University, 2014), 504-561.


ARENA’s ability to craft a cohesive coalition from such disparate elements is the first of two broad empirical puzzles that this thesis attempts to explain. The second empirical puzzle is the seemingly abrupt end to ARENA’s internal cohesion in 2009: as the following chapter shows, ARENA’s schism defies traditional explanations for party splits, as well as the accounts favored by the media and by political elites in El Salvador.

Research Design & Methodology

This thesis is positioned at the intersection of empirical and theoretical research. On one hand, it aims to identify and explain variation in cohesion outcomes throughout ARENA’s history. On the other hand, it also aims to create and apply a portable theory of cohesion and schisms among conservative parties that can explain and predict patterns in the rest of the region and beyond.

Ideally, such an undertaking would combine in-depth case studies with cross-case comparisons. While case studies are particularly useful for identifying causal mechanisms, generating hypotheses, and testing their internal validity, cross-case comparisons are better suited for identifying causal effects and testing hypotheses’ external validity.\(^{35}\) Due to the limited nature of this particular project, however, I have opted to focus almost exclusively on an in-depth case study of ARENA. This has allowed me lay the foundations for further research by identifying key causal mechanisms, formulating an initial theory, and applying

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that theory to one important case. My intention is for future projects to build upon these foundations by conducting cross-case comparisons, testing the theory’s portability, and examining more closely its causal effects. In the Conclusion, I provide a brief preview of what an expansion of this thesis along those lines might entail. In this section, I briefly discuss case selection and summarize my data collection strategy.

Case Selection

For at least four broad reasons, both ARENA and El Salvador are particularly useful entry points into broader questions of party cohesion and schism. First, while Gerring points out that insufficient variation tends to limit the value of case-study research, the ARENA case exhibits a relatively wide range of variation on cohesion outcomes across time. For example, while parties such as Peru’s United Left and Guatemala’s PAN never experienced high levels of cohesion before undergoing schisms, ARENA experienced high levels of cohesion (1980-2004), major schisms (2009), and smaller fluctuations in between. Thus, any theory derived from the ARENA case can be expected to account for a broad range of outcomes.

Second, El Salvador provides a wide range of variation on cohesion outcomes across the party system. Most notably, the FMLN’s cohesion patterns

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37 As I explain in Chapter 3, this variation allows me to break down ARENA’s history into four distinct periods and to draw valuable comparisons and inferences base on that periodization.
have been a mirror image of ARENA’s: while the FMLN spent most of the 1990s and early 2000s crippled by internal conflicts and schisms, intraparty dynamics stabilized in the late 2000s. This system-wide variation allows us to assess the importance (or the irrelevance) of environmental factors in the ARENA case and to draw inferences on that regard beyond El Salvador.

Third, the relatively small size of El Salvador’s elite constituencies helps alleviate many of the challenges that pervade the study of conservative politics. For example, while in countries such as Mexico, Brazil, and Argentina identifying the populations of interest and its members (e.g. socioeconomic elites) can be particularly challenging, in El Salvador these populations are smaller, more homogenous, and more easily identified and conceptualized. Given the temporal limitations of this project, this is a particularly valuable advantage of the Salvadoran case.

Finally, El Salvador shares several importance similarities with the rest of the region, including its institutional arrangement (presidentialism combined with proportional representation) and its democratic trajectory (with regular elections for over two decades), as well as broadly similar historical legacies and cultures. These similarities serve as important control variables that make regional inferences possible.

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38 The members of the traditional oligarchy, for example, are popularly known as the “fourteen families.” Similarly, the financial elites that fund the contemporary ARENA are known as the “G-20.” Newspapers and other popular sources routinely publish exhaustive lists of the individuals associated with these populations. See, for example Gabriel Labrador, “¿Quién salvó la candidatura de Norman Quijano?” El Faro, July 8, 2013.
Data Collection

My analysis of the ARENA case is based primarily on two sets of sources. The first is a series of 61 interviews that I conducted in El Salvador during a span of ten weeks. In an effort to gather a wide range of perspectives on ARENA, I selected my interview subjects from three different populations: protagonists (including current and former presidents, party leaders, candidates, ministers, legislators, businessmen, and elite constituents), secondary actors (including activists, technocrats, bureaucrats, party strategists, and administrative assistants), and outside observers (including local experts, academics, journalists, and voters). Because my time in the field was limited, both theory-building and hypothesis-testing drew from the same set of interviews. In order to facilitate this process, I designed semistructured interview schedules that included open-ended questions (meant for theory-building) as well as close-ended questions (meant for data collection and process-tracing). Finally, because many of the topics discussed in these interviews remain controversial and politically sensitive in El Salvador, most subjects asked me not to identify them in writing. As a result, the majority of the interviews referenced in this thesis are cited anonymously.

39 I conducted three of these interviews via digital communication from Cambridge, MA.
40 Two-thirds of my subjects were ARENA affiliates. Five were GANA affiliates.
42 All interviews were conducted in Spanish. The translations that appear here are my own.
The second major source informing this thesis is newspaper archival work that I conducted, also in El Salvador, during a span of four weeks. Because the literature—both academic and popular—on post-Civil War ARENA is very limited, my analysis of the case required a careful reconstruction of the relevant periods in the party’s history.

In addition to interviews and archival work, I occasionally support my own argument with secondary data from public sources (such as legislative voting records and electoral data) and preexisting literature. Finally, during my time on the field I engaged in dozens of informal conversations about ARENA and attended several party meetings and events. This thesis draws some of its evidence from those personal experiences.

Outline and Overview of the Thesis

Chapter 1 outlines the theoretical framework that informs this thesis, reviews several preexisting—and ultimately unsatisfying—explanations for variation in conservative party cohesion, and presents a new theory that focuses on the role of what I call power-sharing institutions.

In order to support the theory, Chapters 2, 3, and 4 provide an in-depth analysis of the ARENA case. Chapter 2 identifies ARENA’s central power-sharing institutions and traces their origins to the party’s formative period between 1980 and 1989. Chapter 3 traces the effects of power-sharing institutions during ARENA’s long period of cohesion between 1989 and 2004. Finally, Chapter 4
turns to ARENA’s period of declining cohesion beginning in 2004, and, ultimately, its 2009 schism. Drawing from interviews, archival work, and secondary sources, these chapters argue that ARENA’s cohesion outcomes—and the mechanisms through which they were achieved—closely match the predictions of the institutional theory outlined in Chapter 1.

Finally, the Conclusion reviews the evidence and briefly address three questions: What might a broader, cross-case application of the theory entail? What are some of the theory’s possible implications for party-building and institutional analysis? And, finally, what might this thesis suggest about the future of conservative politics in El Salvador?
Chapter 1
Theoretical Perspectives on Conservative Party Cohesion and Schism

In this chapter, I present an institutional theory of cohesion and schisms among conservative parties. It is organized as follows:

First, in section 1, I outline a theoretical framework for the comparative study of conservative parties, cohesion, and schism. In doing so, I position the argument that follows at the crossroads of sociological interpretations of political parties and power-distributional analyses of institutions, clarifying my interpretation of several key concepts that have been either highly contested or badly neglected by political scientists in recent works.

Having laid out the theoretical backdrop, section 2 evaluates five possible explanations for conservative party cohesion and schism. I argue that each of the explanations fails to fully explain variation in ARENA and I posit that future explanations must pay greater attention to parties’ internal institutions and organization.

From this point of departure, the final four sections of this chapter introduce the new theory. In section 3 I argue that power-sharing institutions (i.e. the rules and procedures that structure intra-party competition for power and resources) foster party cohesion through both “process” and “outcome” effects. More specifically, I posit that power-sharing institutions that are both exclusive
and highly enforced are particularly effective sources of party cohesion—at least in the short run. In section 4, however, I argue that these same highly enforced and exclusive institutions make parties increasingly vulnerable to schisms in the long run by reducing their adaptive capacity during periods of coalitional adjustment. In section 5, therefore, I address a crucial question: What are the origins of exclusive and highly enforced power-sharing institutions? Finally, in section 6 I consider the possible limitations of the theory.

1.1 Theoretical Framework

“The first step in any effort at comparative research,” wrote Edward Gibson in the seminal work that informs much of this thesis, “lies in the realm of conceptualization.”¹ In this section, I outline the conceptual and theoretical framework that informs the argument that follows.

1.1.1 A Sociological Approach to Conservative Parties

The budding literature on party-building in Latin America presents two sharply contrasting conceptions of parties of the right—referred to alternatively as right-wing or conservative parties. On one hand, authors such as Huntington, Luna, Rovira Kaltwasser, and Power define parties of the right ideologically, in

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terms of their particular views on inequality, democracy, or change. Other authors—perhaps most prominently Gibson and Middlebrook—define parties of the right sociologically, as parties that “draw their core constituencies from the upper strata of society.” While critics of the ideological approach denounce its theoretical ambiguity and empirical elusiveness, opponents of the sociological perspective note that parties of the right sometimes draw their core constituencies from the middle class, and, more importantly, that many distinctly left-wing parties also draw their core constituencies from the so-called upper strata of society.

Because this debate is ultimately about the very nature of parties of the right, it bears directly on questions of cohesion and schism: Is party cohesion a story of ideas and their proponents? Do intraparty dynamics respond instead to social structures and their underlying power distributions? Or, perhaps, both?

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3 Edward Gibson, Class & Conservative Parties; and Kevin J. Middlebrook, ed., The Right and Democracy in Latin America.

4 Gibson, Class & Conservative Parties, 7. Core constituencies are “those sectors of society that are most important to [a party’s] political agenda and resources.” For a more detailed discussion of core constituencies see Section 2.1.2 below and Gibson, Class & Conservative Parties, 9-15.

5 For a critique of the ideological approach, see Gibson, Class & Conservative Parties, 2-6. For a critique of the sociological approach, see Luna and Rovira Kaltwasser, Latin American Right, 7-8.
One possible solution to the scholarly debate—and the one that I will adopt throughout this thesis—is to distinguish between two distinct types of parties of the right: conservative parties and right-wing parties. The defining property of conservative parties is that they derive their core constituencies from the upper strata of society. Their particular ideological program is a variable property: conservative parties may or may not adhere to rightist principles.\footnote{Similar to Gibson (Class & Conservative Parties, 8), I borrow the concepts of defining and variable properties from Giovanni Sartori, ed., Social Science Concepts: A Systematic Analysis (Beverly Hills: Sage Publications, 1984).} In contrast, the defining properties of right-wing parties are ideological: they view inequalities as natural, they resist change, and they embrace the value of religion, community, and tradition. The particular social composition of right-wing parties is a variable property: they may or may not derive their core constituencies from the upper strata of society.\footnote{This view, though novel, incorporates both Gibson’s particular sociological definition of conservative parties (Gibson, Class & Conservative Parties, 7-8) and the distinction made by scholars of “conservative ideology” between social class and ideology. On this last point, see, for example: Russell Kirk, A Program for Conservatives (Chicago: Chicago University Press, 1954) and Huntington, “Conservatism as an Ideology,” 468.} In other words, contrary to much of the literature, the terms “right-wing” and “conservative” are not interchangeable: not all right-wing parties are conservative, and not all conservative parties are right-wing (see Figure 2 below).\footnote{There is a natural affinity between right-wing ideology and conservative (or “upper strata”) constituencies, as the latter tend to benefit from the status quo. As a result, most parties of the right are likely to be both conservative and right-wing.}
Conservative parties, such as El Salvador’s Grand Alliance for National Unity (Gran Alianza por la Unidad Nacional, GANA), are characterized primarily by their social composition; ideology per se does not play a dominant role in intraparty politics (GANA, for example, includes leaders who identify themselves as right-wing, centrist, and left-wing). On the other hand, right-wing parties, such as the fujimorista parties in Peru, are characterized primarily by their ideological or programmatic commitments; class and social composition have a comparatively limited bearing on these parties’ internal dynamics. At the intersection of both groups are conservative right-wing parties such as ARENA, in which both social structure and ideology can play crucial roles.9

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9 As I will argue, ARENA is a case of a conservative right-wing party in which social structure, powerfully mediated by institutions, dominates intraparty politics. This, however, need not be the case in all such parties.
The purpose of this thesis is to explain cohesion and schisms among conservative parties. Thus, hereafter I shall use “party” (and its plural form) as shorthand for conservative and conservative right-wing parties. (For now, I assume that the argument extends to parties that are conservative and also right-wing. I discuss the extent to which this may be true towards the end of this chapter.)

1.1.2 Core Constituencies, Elites, and Selectorates

In August, 2014, I interviewed a young civil society leader who was participating in ARENA’s candidate selection process for the first time. He described the process of competing for a nomination to the National Legislative Assembly as follows:

This party works just like a business. At the very top are the owners and shareholders. These are people like [prominent businessmen] Ricardo Poma and Roberto Kriete. They are ultimately in control of the business, but they are not involved in its day-to-day operations. For that, they hire a number of managers. This is the role, for example, of [current ARENA president] Jorge Velado. In turn, the managers hire a group of workers or “foot soldiers”…these are the members of the party structure, as well as the party’s candidates for office. My strategy

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10 Interestingly, before serving as President of ARENA, Jorge Velado was the General Manager of Ricardo Poma’s regional car distribution company.
for securing a nomination, then, is to gain the support of the shareholders and, through them, of the managers.\textsuperscript{11}

Because conservative parties are fundamentally societal organizations, any successful analysis must begin by identifying key actors and the relationships between them. To be sure, the comparison of ARENA to a business may overstate the hierarchical nature of conservative parties and oversimplify the complex interactions between different levels of leadership. It does, however, provide a useful departure point for understanding the relationships between political elites, core constituencies, and political parties.

Following Gibson, my sociological analysis of conservative parties begins with core constituencies—similar to the “owners and shareholders” in the analogy above. Fundamentally, all parties consist of two coalitions: an electoral coalition and a core coalition. Though electoral coalitions provide parties with the mass base needed to win elections, core coalitions dominate a party’s agenda and resources: they are, essentially, a party’s \textit{raison d’être}.\textsuperscript{12} Gibson expands further on the importance of core constituencies—the building blocks of core coalitions—as follows:

\begin{quote}
A conservative party (or any other party) can afford to lose segments of its mass base outside its core constituencies without
\end{quote}

\textsuperscript{11} Interview by author, San Salvador, August 21, 2014.

\textsuperscript{12} Gibson, \textit{Class & Conservative Parties}, 9-21.
imperiling its survival. In fact, regular fluctuations in the social composition of [electoral] coalitions can be expected over time and contexts…. [But] structural change within a party occurs when its relationship to its core constituency changes.\textsuperscript{13}

Also following Gibson, I have defined conservative parties as those who draw their core constituencies from the upper strata of society.\textsuperscript{14} My approach to social stratification, however, is more Marxist than Gibsonian in one major way: I identify constituencies based primarily on their relationship to particular means of production instead of simply their overall position within society. In other words, I posit that instead of being grouped into a single constituency, the “upper strata” of society can and should be analyzed as containing several potential constituencies based on their particular relationship to different means of production. Thus, in economic and political terms, the Salvadoran oligarchs and capitalists represent two distinct constituencies—each by virtue of their relationship to two different means of production (i.e. land and capital)—instead of a single elite constituency atop society. By neglecting such divisions among the upper strata of society, Gibsonian analyses of parties may overlook important sources of intraparty competition and conflict. As I will show in the ARENA case,

\textsuperscript{13} Ibid., 10.
\textsuperscript{14} Ibid., 7.
for example, intraparty conflict was driven by competition between the different constituencies from the upper strata of society.  

Core constituencies, however, rarely hold political power directly. Instead, the members of society who formally hold and exercise power over political institutions and organizations are political elites. This includes individuals who are both elected (e.g. presidents, legislators, governors) and appointed (e.g. ministers, judges, party presidents) to public office. Current political elites within ARENA, for example, include 28 legislators, 116 mayors, and one party president.

In the analogy above, the young ARENA activist compared political elites within the party to the managers of a business owned by core constituents. Though this may overstate the hierarchization of most parties, it correctly captures the outsized influence that core constituencies tend to have over the appointment and behavior of party elites through at least three main mechanisms. First, because core constituents help define a party’s brand and agenda, parties are likely to attract political elites with a natural programmatic affinity with core constituents. Second, because of the structural importance of preserving core

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15 There is, of course, the possibility that intraparty competition is organized along non-classist lines through, for example, patronage networks, ethnic cleavages, or ideological currents. In these cases, which I discuss further in subsection 2.5.1 of this chapter, the general argument presented in this chapter still applies (albeit with one important qualification).

16 See Peter M. Siavelis and Scott Morgenstern, eds., Pathways to Power: Political Recruitment and Candidate Selection in Latin America (University Park: Penn State Press, 2008).

17 Ibid., 5.
constituencies and their resources, party elites are regularly constrained by the preferences and objectives of core constituents. And third, because of their vast resources and general dominance over the party, core constituents tend to serve as the selectorates\(^{18}\) of political elites, whether directly (e.g. personally appointing or supporting specific political elites) or indirectly (e.g. vetoing or rescinding elite appointments).\(^{19}\)

Thus, core constituencies place important constraints on the scope of elite action. As in the business analogy above, however, the relationship between the two groups of actors (shareholders and managers; core constituents and political elites) cannot be described as subservient. Indeed, strategic (and often contentious) interactions between core constituencies and political elites can have a decisive impact on patterns of party formation, development, and performance.\(^{20}\)

Without rejecting the potential role of political elites, this thesis will argue that cohesion and schism are ultimately processes at the core coalitional level of party organization: in the simplest possible terms, they are reflections of the unity

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\(^{18}\) “Selectorates” are the “constituents” or “higher party officials” who recruit and select political candidates. Siavelis and Morgenstern point out that selectorates tend to determine the “direction of loyalty” of political elites (Siavelis and Morgenstern, Pathways to Power, 5).

\(^{19}\) In pre-schism ARENA, for example, core constituencies were the direct selectorate of legislative candidates, selecting candidates in meetings behind closed doors. In post-schism ARENA, core constituencies are indirect selectorates, vetoing certain candidates and allowing all members of the party to select among a long list of the surviving contenders.

\(^{20}\) This is, in fact, a central component of Gibson’s argument regarding Argentina (Gibson, Class & Conservative Parties). Cases in which political elites benefit from mass personalistic linkages—such as Hugo Chávez in Venezuela or Perón in Argentina—also help illustrate the complexity of core-elite relations.
of a party’s coalition of core constituencies. Thus, in the interest of clarity and space, the argument presented in this chapter focuses primarily on core constituencies and assumes that changes in core coalitional dynamics will be reflected in patterns of elite behavior. Within the bounds of the particular argument advanced here, the interactions between political elites and core constituents can be placed aside without any loss of insight, but further, more comprehensive studies of structural party dynamics could—and should—benefit from placing greater emphasis on the interactions between these two groups.

1.1.3 Intraparty Conflict, Cohesion, and Schisms

“Upper strata” constituencies seek to access political power in order to protect their wealth and advance other programmatic objectives. Though a range of organizations may effectively represent the political interests of socioeconomic elites, political parties alone are exclusively designed to provide members of the “upper strata” with the fundamental tools of democratic competition, such as mass mobilization, financial resources, policy networks, nominations for political office, and mechanisms of collective action. Thus, particularly in democratic

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22 See, for example, O’Donnell, Guillermo, Philippe C. Schmitter, and Laurence Whitehead, eds. Transitions from Authoritarian Rule, vol. 4, Tentative Conclusions About Uncertain Democracies (Baltimore: Johns Hopkins University Press, 1986), 62-63. The importance of political parties for democratic competition is also generally true for constituencies outside the upper strata, of course. Aldrich’s seminal work on the importance of parties in democratic life, for example, makes no distinction between classes (Aldrich, Why Parties? A Second Look).
regimes, political parties are crucial instruments in socioeconomic elites’ pursuit of political power.

Evidently, then, core constituencies have much to gain from party membership. But the resources and tools at a party’s disposal are also inevitably limited: even the most formidable of parties, for example, can only mobilize so many voters, allocate so many funds, and nominate so many candidates. Scarcity, in turn, begets competition: all parties—no matter how powerful or cohesive—experience some degree of intraparty conflict, as different core constituencies (as well as other factions) compete for power over the party’s structure and for control over its resources. Intraparty competition is unavoidable because different constituencies and their affiliates will inevitably have different preferences with respect to programmatic priorities (e.g. trade regulation), organizational processes (e.g. candidate selection), and ideological commitments (e.g. abortion or LGBTQ rights). As in every political arena, then, factional conflict within political parties is ubiquitous.

This is gives rise to the fundamental challenge of party cohesion: given the inevitability of scarce resources and intraparty conflict, how can parties build stable and long-lasting core coalitions? This challenge is particularly problematic for conservative parties, whose wealthy core constituents have more resources and, therefore, more alternatives for political mobilization beyond a particular political party.
Cohesion exists when parties succeed in managing intraparty conflict and incorporating their core constituencies into a unified coalition. Cohesive parties are able to maintain the loyalty of core constituents regardless of internal competition and its outcomes, ensuring that they retain their affiliation to the party and recognize the party’s authority to represent their interests and to continue to regulate the “rules of the game.”

In contrast, schisms occur when, under the strain of internal competition, one electorally competitive party breaks down into two or more electorally competitive parties. Following a schism, base parties retain the brand, name, and organization of the original party. Offshoot parties, in contrast, adopt new brands, names, and organizations.\textsuperscript{23} Schisms should be distinguished from splinters, which result in offshoot parties that are not electorally competitive.\textsuperscript{24} This distinction is crucial, as schisms are fundamentally structural processes resulting from changes in a party’s core coalition, while splinters are more personalistic affairs involving dissident individuals or small groups of individuals—thus, schisms generally result in electorally competitive offshoot parties built around core constituencies and splinters do not.\textsuperscript{25}

\textsuperscript{23} Thus, in the Salvadoran case, ARENA is the base party and GANA the offshoot. Though most schisms appear to follow this pattern—resulting in the base party and one offshoot party—more severe schisms can theoretically result in several offshoot parties and the collapse of the base parties.

\textsuperscript{24} Standards for what constitutes an “electorally competitive” party are inevitably matters of contention. For the purpose of distinguishing between schisms and splinters, I will define electorally competitive offshoot parties as those that are able to capture votes equal to 10\% of the base party’s votes in two consecutive, regular elections following the split.

\textsuperscript{25} See Figure 4 in subsection 1.4 of this chapter for a more detailed description of certain types schism and their corresponding core coalitional dynamics.
How can parties foster cohesion? Why do sudden (and not so sudden) schisms happen? Answering these two questions is the central task of this thesis.

1.2 Existing Explanations

Any investigation of conservative parties in contemporary Latin America must inevitably acknowledge the “void of comparative analysis” that has resulted from the “lack of scholarly production in the strategies pursued by the right” since the onset of the so-called Third Wave of democratization. Indeed, to the best of my knowledge, only five published works have provided in-depth, comparative analyses of the Latin American right during the Third Wave, and only two of them have placed party-building or party politics at the center of their analysis. As a result of this relative lack of comparative research, existing explanations for conservative party cohesion and schism are scattered among individual case studies, more general studies of political parties, and tangential literature on, for example, patronage and electoral institutions.

In this section, I organize this diverse literature into five possible explanations for variation in cohesion and schism. I show that each of the


27 These publications are, in chronological order: Douglas A. Chalmers, Maria do Carmo Campello de Souza, and Atílio A. Borón, eds., The Right and Democracy in Latin America (New York: Praeger Publishers, 1992); Gibson, Class & Conservative Parties; Middlebrook, ed., Conservative Parties, the Right, and Democracy in Latin America; Francisco Domínguez, Geraldine Lievesley, and Steve Ludlam, eds., Right-Wing Politics in the New Latin America (London: Zed Books, 2011); and Luna and Rovira Kaltwasser, eds., The Resilience of the Latin American Right. A forthcoming volume on party-building in Latin America contains several chapters on conservative parties (Steven Levitsky, James Loxton, Brandon Van Dyck, and Jorge I. Domínguez, Challenges of Party Building in Latin America [forthcoming]).
explanations—conflict and redistributionist threats; patronage and access to the state; leadership; electoral institutions; and business organizations—fails to fully explain the ARENA case, revealing serious theoretical shortcomings in our current approaches to the study of cohesion and schism. I conclude by arguing that future explanations must pay greater attention to parties’ internal institutional arrangements.

In order to structure the discussion that follows, it is worth noting at the outset that any successful explanation must accomplish at least three things. First, it must explain the timing of schisms and variation in cohesion; in other words, changes in the proposed explanatory variable must consistently result in changes in cohesion and schism outcomes. Second, any successful explanation must explain the magnitude of schisms and variations in cohesion; in other words, changes in the proposed explanatory variable must consistently result in proportional changes on cohesion and schism outcomes. And finally, any successful explanation must explain the kind of change being observed; this includes not only the direction of change (e.g. whether cohesion increases or decreases), but also the manner in which change takes place (e.g. whether cohesion changes among all or only some actors). As I will show, all five preexisting explanations fail on at least one of these criteria.
1.2.1 Conflict and Redistributionist Threats

One possible set of explanations focuses on the perception of a radical, redistributionist threat from the left as a powerful source of cohesion among conservative socioeconomic elites. There are two slightly distinct variants of this argument.

The first variant focuses on the legacies of perceived threat. According to this view, socioeconomic elites who have been on the same side of a violent conflict (e.g. a civil war against a Marxist insurgency) or who have participated in a former authoritarian government (e.g. a military dictatorship) are bound by common experiences, allegiances, perspectives, and cultures of loyalty. According to this legacy variant of the redistributionist threat explanation, cohesion withers and schisms may occur when legacies of violent conflict are interrupted, perhaps by a generational change in the party’s leadership or by the emergence of new political cleavages.

While it is possible that ARENA “granitic unity” was rooted in the legacy of the civil war, this explanation cannot fully explain the 2009 schism. There is no evidence to support the claim that wartime cleavages or identities became less salient in schism’s build-up. To this day, Salvadoran society is clearly divided along the ARENA-FMLN spectrum, controversies linked to to events from the

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28 This is essentially a corollary of the conflict-centered approach to party-building outlined in Levitsky, Loxton, and Van Dyck, “Introduction.” Similar arguments are made elsewhere by both Loxton and Van Dyck: see Loxton, “Authoritarian Inheritance and Conservative Party-Building in Latin America” and Van Dyck, “The Paradox of Adversity: New Left Party Survival and Collapse in Latin America.”
war remain extremely polarizing, and the bulk of each party’s leadership still consists of wartime veterans. As a result, this variant of the redistributionist threat argument cannot explain the timing of ARENA’s 2009 schism.

A second variant of the argument focuses specifically on the sustained perception of threat among socioeconomic elites. This view posits that elite constituencies will overlook their differences—which, as the Salvadoran case shows, can be profound—and form powerful coalitions whenever they face a common existential threat. According to this variant of the redistributionist threat explanation, then, cohesion collapses and schisms occur when socioeconomic elites no longer fear a common redistributionist threat. For example, the end of a civil war or the disarmament of an insurgent group should have a detrimental impact on the cohesion of socioeconomic elites: in the absence of a unifying threat, disparate elites are less likely to overlook their differences and more likely to pursue their own objectives independently.

How would this view explain ARENA’s transition from cohesion to schism? In the 1980s, ARENA’s two core constituencies—oligarchs and capitalists—faced a series of common redistributionist threats. First, the ruling

29 Negroponte, Seeking Peace in El Salvador, 163-173.

junta sought to “alleviate the structural roots of the armed conflict” by implementing land reform and other redistributionist programs. Second, the FMLN—then an insurgent guerrilla front—aimed to push forward a Marxist transformation of Salvadoran society.\(^{31}\) Fundamentally, both groups threatened to undermine the social order upon which traditional socioeconomic elites had built their wealth and secured their privileged position in Salvadoran society. These redistributionist threats, the argument claims, provided a powerful source of cohesion, compelled otherwise disparate elites to overcome their differences, and allowed ARENA to emerge as a cohesive party. These threats, however, began to disappear after the 1992 peace treaty. ARENA retained control of the presidency for over two decades, allowing it to consolidate the neoliberal model.\(^{32}\) Meanwhile, the FMLN became a political party and moved close to the center: when in 2009—on the eve of ARENA’s schism—it won the presidency with a centrist outsider, its moderation was complete. Thus, as redistributionist threats gradually disappeared, so did ARENA’s cohesion.

There is, however, one important flaw in this view: most evidence contradicts the key claim that the perceived threat of redistribution had essentially vanished by the late 2000s.\(^{33}\) Instead, I argue that concerns among the Salvadoran upper strata simply transformed from “fear of Cuba” to “fear of Venezuela”: while


\(^{32}\) Segovia, *Transformación estructural*, 12-50.

\(^{33}\) The argument, of course, emphasizes *perceptions* of threat, not the actual presence of threat.
in the 1980s and 1990s traditional socioeconomic elites legitimately feared that the FMLN would turn El Salvador into another communist Cuba, in the 2000s they legitimately feared—and continue to fear—that the FMLN would turn El Salvador into another competitive authoritarian, “21st century socialist” Venezuela.34

Three idiosyncrasies of the Salvadoran case have combined to preserve perceptions of threat from the left among traditional elites. First, the radical wing of the FMLN, led by Schafik Hándal and Salvador Sánchez Cerén, has remained particularly powerful within the party. In the early 2000s, during a period of relative moderation for most left-wing movements in Latin America, the FMLN’s radical wing successfully expelled the leadership of its moderate counterpart from the party.35 In 2004, Hándal ran as the FMLN’s presidential nominee on a self-proclaimed “revolutionary” platform.36 In 2006, well into the Saca government, an FMLN militant with close ties to the party’s congressional leadership attempted to trigger a “new revolution” by opening fire against policemen during a student protest.37 Thus, when Funes became president in 2009, traditional elites feared that Sánchez Cerén—the new Vice President—and his radical cohorts would be the true wielders of executive power: As recently as January 2015,

34 See, for example: De Rosa, 30 años trabajando por El Salvador, 110-123; and Galeas and Galeas, Claves de una derrota, 110-115.

35 Galeas and Galeas, Claves de una derrota, 40.

36 Ibid.

37 Delmy Ayala, “CSJ incrementa a 56 años la condena contra Mario Belloso por muerte de dos policías,” La Página, July 21, 2011.
ARENA elites assured me that the FMLN, now in its second government, is “simply waiting to take control of the legislature in the upcoming elections” to “begin implementing their 21st century socialism.”

Second, the FMLN leaders have adopted a contradictory message that is publicly moderate but privately radical. On the evening of June 23, 2014, President Sánchez Cerén, in a speech at the National Private Business Association’s highly publicized annual meeting, assured business elites that he sought to “establish ties of friendship” with the private sector to “make El Salvador more competitive.” “We need investment to improve people’s lives,” claimed the former guerrilla commander. Not twelve hours later, while addressing a group of FMLN militants, Sánchez Cerén vowed to “do away with the capitalist oligarchy” and “move forward with socialism.” These contradictions have convinced ARENA leaders that their FMLN counterparts remain profound believers in the former guerrilla’s revolutionary goals: “They are simply waiting for the right time.”

Third, El Salvador’s relatively small economy has raised fears that the political and financial clout of the chavista movement in Venezuela could have a significant impact on internal politics. To illustrate, the Venezuela-based and

38 Personal interview by the author, January 3, 2015.


40 Speech delivered at an FMLN party rally, Santa Tecla, El Salvador, June 24, 2014.

41 Current ARENA mayor, Interview by author, August 19, 2014.
FMLN-affiliated ALBA Petróleos reportedly generated approximately USD 200 million during its first full year operating in El Salvador—equivalent to approximately 1% of the country’s GDP.\textsuperscript{42} Since the mid 2000s, ARENA leaders and other civil society organizations have routinely accused the Venezuelan government of supporting the FMLN for the purpose of exporting its programmatic agenda.\textsuperscript{43}

In short, the concerns about a Cuba-style revolution that plagued Salvadoran elites in the 1980s and 1990s have simply been replaced by similar concerns about a Venezuela-style transition. “Venezuela is our new guiding light,” claimed Sánchez Cerén a month before his election as Vice President in 2009.\textsuperscript{44} And traditional elites believed him. Changes in perceived levels of redistributionist threat, therefore, cannot fully explain ARENA’s 2009 schism.

\subsection*{1.2.2 Patronage and Access to the State}

A second possible explanation posits that patronage is at the core of party cohesion: parties retain the loyalty of their constituents by distributing the resources of the state—in the form, for example, of appointments, funding, and

\textsuperscript{42} Economic policy advisor to the FMLN legislative caucus, Interview by author, August 25, 2014.

\textsuperscript{43} See, for example, Eugenia Velásquez and Liseth Alas, “ARENA pide a Fiscalía investigar venta de terrenos del IPSFA a empresa ligada a Alba Petróleos,” \textit{El Diario de Hoy}, February 25, 2015.

\textsuperscript{44} Speech at Annual FMLN Convention, San Salvador, January 2, 2008.
policymaking influence—strategically among different factions. According to patronage-based explanations, cohesion fades and schisms occur when a party is no longer able to access and distribute patronage—perhaps because of diminishing resources (e.g. losing control of the state apparatus) or contextual circumstances (e.g. increased accountability).

This explanation passes a first empirical test: it could explain the timing of ARENA’s 2009 schism. From the perspective of patronage distribution, ARENA’s main source of cohesion was its uninterrupted control of the presidency and the generous resources under its command. Consequently, ARENA’s schism might be explained by its loss of the presidency in March 2009 and, with it, of the ability to continue financing a patronage-based coalition.

Upon closer inspection, however, there at least two major problems with this explanation. First, patronage-based explanations cannot accurately predict previous (albeit smaller) variations in ARENA’s cohesion. For example, as I will argue in Chapter 4, the internal instability that led to the 2009 schism far predated that year’s presidential defeat. In fact, its origins can be traced back to a period in

45 This argument can be grounded on a rich tradition of literature on patronage and clientelism, including both in-depth case studies and broad surveys. Greene and Hagopian et al, for example, examine the relationship between patronage and party outcomes in Mexico and Brazil, respectively (Kenneth F. Greene, *Why Dominant Parties Lose: Mexico’s Democratization in Comparative Perspective* [New York: Cambridge University Press, 2007]; and Frances Hagopian et al, “From Patronage to Program: The Emergence of Party-Oriented Legislators in Brazil” [Working Paper #344, Kellogg Institute for International Studies, Notre Dame, December 2007.]) For two comprehensive cross-case comparisons that discuss the connection between parties, patronage, and clientelism, see: Herbert Kitschelt and Steven I. Wilkinson, eds., *Patrons, Clients, and Policies: Patterns of Democratic Accountability and Political Competition* (New York: Cambridge University Press, 2007); and Susan C Stokes et al, eds., *Brokers, Voters, and Clientelism: The Puzzle of Distributive Politics* (New York: Cambridge University Press, 2013).
the early 2000s when ARENA controlled both the presidency and the legislature. Similarly, though ARENA’s “granitic unity” was evident as early as 1983, the party did not gain control of the presidency and its resources until 1989. In other words, variations in ARENA’s cohesion do not always match variations in its patronage resources—in fact, the 2009 schism may be the only instance in which they clearly do.

Second, patronage-based explanations overpredict the size and severity of the 2009 schism. If ARENA’s cohesion was truly built upon presidential patronage, then the sudden and total loss of the presidency should have resulted in widespread defections from all sectors of the party.46 Instead, the 2009 schism, though significant, was also relatively contained. The bulk of defectors—which amounted to no more than a third of ARENA’s legislators and, by my estimates, no more than 20% of its national leadership—were individuals and constituents who were relatively new to the party and closely affiliated with outgoing President Saca (who himself had become an active member of the party only as late as 2002).47 In other words, patronage-based explanations cannot fully explain the relatively small magnitude of the 2009 schism or ARENA’s cohesion in the two decades before the arrival of the saquistas.

46 The party-wide scope of the schism should also have been exacerbated by ARENA’s loss of the legislature following the first round of defections.

47 Galeas and Galeas, Claves de una derrota, viii.
1.2.3 Leadership

A third set of possible explanations focuses on the role of leadership in fostering cohesion and instigating schisms. There are two variants of this argument.

A structural variant of the argument posits that elites who are endowed with both internal authority and external appeal can help foster cohesion and avoid schisms because their “coattails create electoral incentives against defection, and their internal dominance enables them to prevent, deescalate, and adjudicate internal conflicts.”\(^{48}\) According to this view, cohesion is weakened and schisms occur when the endowments of such leaders diminish, are absent in the first place, or are replaced by those of more divisive leaders.

How could this structural variant explain ARENA’s historical cohesion and its 2009 schism? Roberto D’Aubuisson, the former army intelligence officer who conceived ARENA and ran as its first presidential candidate in 1984, is often cited by ARENA old-timers as a major source of party unity.\(^{49}\) Before his death in 1992, old-timers argue, D’Aubuisson’s broad electoral appeal and internal dominance allowed him to suppress internal disagreements.\(^{50}\) Even after his death, D’Aubuisson’s name, words, and likelihood have remained a central part of

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\(^{48}\) Brandon Van Dyck, “External Appeal Plus Internal Dominance: How Party Leaders Contribute to Successful Party-Building,” forthcoming. This argument is “structural” to the extent that it emphasizes endowments instead of preferences or actions. See also Van Dyck, “The Paradox of Adversity.”

\(^{49}\) Former member of the COENA, interview by author, San Salvador, January 5, 2015.

\(^{50}\) Ibid.
ARENA’s anthem, chants, and general *mística*. Proponents of this view argue that President Saca’s efforts to dismantle the legacy of D’Aubuisson and replace it with his own influence weakened ARENA’s cohesion and directly contributed to the 2009 schism.\(^52\)

This view, however, leaves too many empirical questions unanswered. Well before Saca’s rise to power, several externally appealing and internally powerful ARENA leaders had attempted to dismantle and replace the legacy of D’Aubuisson. Chief among them was former President Francisco Flores (1999-2004), who was routinely accused of “trying to be the new D’Aubuisson” in order to “take over the party.”\(^53\) In a clear symbolic gesture, for example, Flores broke with ARENA custom by removing D’Aubuisson’s likeness from several party facilities and by asking rally organizers to avoid playing the party’s anthem.\(^54\) To the extent that Saca did, in fact, succeed in supplanting D’Aubuisson’s leadership, why did Flores and others before him fail? Why did Saca use his newfound clout to undermine cohesion instead of unifying the party around him? Similarly, after his death, why was D’Aubuisson’s legacy a source of cohesion instead of a point of conflict among competing factions? In other words,

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\(^{51}\) Literally “mystique” or “culture.”

\(^{52}\) Party founder, Interview by author, San Salvador, August 1, 2014.

\(^{53}\) These claims were made, independently, by three different ARENA leaders from different factions of the party in interviews by the author in San Salvador on July 3, August 9, and August 13, 2014.

\(^{54}\) Flores campaign strategist, Interview by author, San Salvador, August 25, 2014.
the structuralist variant of the leadership explanation cannot fully explain the timing or the direction of changes in ARENA’s cohesion.

A second, rational-choice variant of the leadership argument focuses on the actions and preferences of party leaders. It posits that political institutions—including parties—essentially reflect the preferences of individual actors, who shape institutions at their will. According to this view, cohesion decreases and schisms occur when defection replaces cooperation as the optimal strategy of a party’s core constituencies. This, in turn, can happen for a variety of reasons, including changes in the institutional environment, economic circumstances, and programmatic priorities.

Though strategic calculations are likely to play some role in determining cohesion outcomes (that is, in fact, an assumption that runs throughout this thesis), this narrow rational-choice perspective has at least three important limitations. First, while micro-level rational-choice calculations may account for individual decisions to abandon a party, they are less effective at explaining the collective choices that create schisms. Second, though they may provide a useful analytical lens, rational-choice approaches simply postpone the search for explanatory variables: if schisms occur because cooperation is no longer an optimal strategy, then what is it that changes actors’ incentives in the first place? Finally, research from a variety of disciplines suggests that institutions tend to be

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56 For an application of this logic to ARENA’s long period of cohesion, see Alisha H. Holland, “Right on Crime?” 44-67.
“sticky,” adapting slowly—and sometimes not at all—to changes in underlying preferences and power distributions. This suggests that the rational-choice variant of the leadership explanation cannot, by itself, fully explain changes in party cohesion.

1.2.4 Electoral Institutions

A fourth set of explanations centers on the relationship between party outcomes and electoral rules and institutions. According to these explanations, certain types of electoral institutions—for example, closed-list voting systems, high costs of entry for new parties, and bans on independent candidacies—are particularly conducive to high levels of party cohesion. When these cohesion-building electoral institutions are reformed, party cohesion may decrease and schisms may take place.

Can electoral institutions explain variation in ARENA’s cohesion outcomes? There is very little evidence to suggest that this is the case. First, El Salvador’s electoral institutions remained virtually unchanged between 1992 and 2009. During that period, however, various Salvadoran parties operating under the same electoral institutions exhibit different cohesion outcomes. Most notably, as I have mentioned, while ARENA experienced high levels of cohesion in the 1990s,

57 See, for example, Levitsky, Transforming Labor-Based Parties, 19 and Gibson, Class & Conservative Parties.

the FMLN was frequently crippled by schisms and internal disagreements. Second, though important reforms have been implemented in the recent past—establishing, for example, open lists and independent candidacies—those reforms took place after ARENA’s transition from cohesion to schism (in 2011, 2013, and 2014).

Changes in El Salvador electoral institutions, in short, do not match changes in ARENA’s cohesion outcomes. This suggests that, at least in the Salvadoran case, party outcomes are relatively independent of electoral rules.

1.2.5 Private Business Organizations

A final possible explanation emphasizes the role of private business organizations. According to this argument, because conservative parties often draw their core constituencies from the business sector, preexisting business organizations provide a cohesive base around which parties can emerge. When business organizations collapse or are absent in the first place, cohesion is less likely to exist and schisms are more likely to occur.

Is it possible to explain ARENA’s schism in terms of private business organizations? In line with the predictions of this argument, ARENA has, since its inception, been closely linked to the National Private Business Association (Asociación Nacional de la Empresa Privada, or ANEP) and the Salvadoran

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Foundation for Economic and Social Development (Fundación Salvadoreña para el Desarrollo Económico y Social, or FUSADES), a business-backed think tank.\textsuperscript{60} Since the early 1980s, ANEP and FUSADES have been critical to ARENA’s development by recruiting party leaders and technocrats, shaping the party’s policy agenda, conducting fundraising efforts, and formally representing the interests of business elites in negotiations with ARENA and ARENA governments.\textsuperscript{61} In the years and months preceding ARENA’s 2009 schism, however, neither of these organizations became less active, powerful, or central to the party’s life.\textsuperscript{62} ANEP retained its monopoly over the collective representation of business interests, and, despite the emergence of other important think tanks, FUSADES size and influence remain unmatched.\textsuperscript{63} This suggests that while ANEP and FUSADES have may have played a significant role in some aspects of ARENA development, they ultimately cannot account for its historically high levels of cohesion or for the party’s transition to instability and schism in 2009.


\textsuperscript{61} Ibid.

\textsuperscript{62} Editor of Estrategia y Negocios magazine, Interview by the author, June 7 2014. In fact, ANEP would play an increasingly prominent role in the years following ARENA’s schism.

\textsuperscript{63} Ibid.
1.2.6 Problems With Existing Explanations

In conclusion, preexisting views on party cohesion and schism cannot provide satisfactory explanations for variation in ARENA’s cohesion or for the party’s 2009 schism. As I have shown throughout this chapter, none of the explanations outlined above can consistently explain the timing, the size, and the type of variation in cohesion that ARENA experienced between 1980 and 2009.

This reveals a significant weakness in current approaches to party cohesion. While underscoring a variety of extra-party variables—conflict, threat, patronage, access to the state, individual behavior, electoral institutions, and partner organizations—students of cohesion and schism have largely neglected the importance of intra-party factors. In particular, existing explanations fail to recognize the importance of parties’ internal institutions. Indeed, a basic premise of this thesis is that internal institutional arrangements are important due to both their own effects on cohesion and to their ability to mediate the impact of environmental changes on party outcomes. As a result, the argument developed in the rest of this thesis begins by placing parties’ internal institutions at the very core of the causal story.

1.3 Power-Sharing Institutions: Explaining Cohesion

At the center of my theory are power-sharing institutions: the rules and procedures that structure intraparty competition for power and resources.
How are power-sharing institutions different from other institutions? In line with power-distributional approaches to institutional analysis, this thesis assumes that all institutions have distributional consequences, and that any institutional arrangement will have “unequal implications for resource allocation.” What distinguishes power-sharing institutions from other rules and norms is that they are specifically designed for the purpose of mediating competition for resources and power. In other words, the distributional consequences of power-sharing institutions are not simply unintended outcomes or “implications,” but the very reason why such institutions are adopted in the first place. In the context of political parties, then, power-sharing institutions include those rules that directly regulate competition for party funds, party-voter linkages, nominations for public office, and other tools of democratic competition.

Furthermore, the institutions I describe involve “power sharing” in the sense that they regulate the way in which core constituents compete for a common pool of party resources. The actual distribution of those resources at any given moment in time does not alter the fundamental nature of these institutions: different power-sharing institutions may result, for example, in highly

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64 James Mahoney and Kathleen Thelen, eds., Explaining Institutional Change: Ambiguity, Agency, and Power (New York: Cambridge University Press, 2010), 8. As Mahoney and Thelen point out, this view is also at least partially consistent with historical institutionalism and rational choice theories of institutions.
concentrated or uniform distributions of resources and power.\textsuperscript{65} In line with this broad interpretation, power-sharing institutions include such diverse mechanisms as the \textit{dedazo} of the Mexican Institutional Revolutionary Party (\textit{Partido Revolucionario Institucional}, PRI),\textsuperscript{66} the open primaries employed by the Republican Party in the United States, and ARENA’s split-tickets rule.\textsuperscript{67}

In the rest of this section, I argue that power-sharing institutions can foster cohesion via a series of both “process” and “outcome” effects.

\textit{1.3.1 Process Effects}

Power-sharing institutions can structure intraparty competition by establishing predictable and well-understood expectations about who competes, how they compete, and when and how competition takes place. These rules of the game—“regularized patterns of interaction that are known, practiced, and regularly accepted” by core constituents\textsuperscript{68}—can directly foster cohesion through at least three broad process-related mechanisms: legitimizing outcomes, containing competition, and reducing zero-sum interactions.

\textsuperscript{65} Or, to use Sartori’s terminology, the structuring of competition for a common pool of resources is a defining property of power-sharing institutions, while particular distributional outcomes are a variable property of power-sharing institutions.

\textsuperscript{66} The \textit{dedazo} allowed each outgoing president to select his successor from among the members of his cabinet. I explain and analyze the \textit{dedazo} in more detail below.

\textsuperscript{67} The split-tickets rule mandated that the presidential and vice-presidential candidates belong to two different constituencies. I will explain and analyze the split-tickets rule in more detail below.

(i) Legitimizing Outcomes

In institutionalized environments, the perceived legitimacy of any particular outcome tends to hinge less on its distributional consequences and more on whether it has been achieved by adhering to the well-established rules of the game. As a result, outcomes in weakly institutionalized environments are more easily and effectively challenged. When the legitimacy of outcomes is challenged regularly, discord and instability are likely to be the norm. In contrast, by providing well-understood, process-based standards of legitimacy, power-sharing institutions can empower “winners” to enforce outcomes without undermining party cohesion.

To illustrate, consider one of ARENA’s key power-sharing institutions: the ban on any individual serving as the president of the country and the president of the party concurrently. For most of ARENA’s history, competition for the party presidency, though a powerful post, was rarely a destabilizing affair, even when particular outcomes significantly shifted the distribution of power between the two constituencies within the Executive Nationalist Committee. The only

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69 Though this particular mechanism is related to outcomes, it ultimately addresses the process by which outcomes are achieved and the perceived legitimacy of that process instead of the content of the outcomes themselves. Therefore, I have categorized it as a process effect instead of an outcome effect.

70 The well-known comparison of political institutions to the “rules of a game in a competitive team sport” is particularly illustrative here (see Douglass North, *Institutions, Institutional Change, and Economic Performance* [New York: Cambridge University Press, 1990], 4). The legitimacy of the final score of a competitive match depends less on the final distribution of points and more on whether those points were distributed according to the predetermined rules of the game.

71 The Consejo Ejecutivo Nacionalista, or COENA, is highest ruling body within ARENA. It is led by the party president.
exceptions to this relative stability occurred when sitting presidents were perceived as being in practical violation of the “double presidency ban” due to their excessive influence over the nominal party president. On such occasions, criticisms revolved around the *illegitimacy*—instead of the power-distributional consequences—of the president’s actions.72

(ii) *Containing Competition*

Successful political parties seek to contain intraparty conflict: to limit, insofar as possible, the impact of internal competition on the day-to-day life of the organization and to address points of contention before they become systematically destabilizing. Power-sharing institutions can help parties achieve this objective by creating predictable, well-regulated, and clearly-defined channels that centralize competition and internal conflict resolution.

Consider the *dedazo*, the power-sharing institution designed by Mexico’s PRI to structure competition for the party’s presidential nomination. The *dedazo* allowed each incumbent president to handpick his successor from among the members of his ministerial cabinet. Though members of the cabinet often competed for the nomination through indirect means, any minister who attempted to influence the nomination process directly was immediately disqualified from

72 This was particularly problematic during the early presidency of Francisco Flores, between 1999 and 2002. Flores’ perceived violation of the double-presidency ban resulted in a party splinter in 2001 (see Efren Lemus and Gabriel Labrador, “Arena y su centro de Estudios Políticos ocultaron al Estado el ingreso de los $10 millones de Taiwán,” *El Faro*, February 15, 2015). I discuss the double-presidency ban in more detail in the empirical section of the thesis (Chapters 2, 3 and 4).
being the nominee.\textsuperscript{73} Thus, the \textit{dedazo} helped contain competition for the presidential nomination by limiting the arena of competition to one particular body (the ministerial cabinet) and one particular process (the \textit{dedazo}), as well as by explicitly prohibiting actors from involving other aspects of the party in the competition. As I will show throughout this thesis, many of ARENA’s power-sharing institutions had a similar effect.

(iii) \textit{Reducing Zero-Sum Interactions}

Unregulated intraparty competition can result in zero-sum or “winner-takes-all” interactions—both real and perceived—between core constituencies. Such interactions can undermine party cohesion in at least two ways. First, when the stakes are perceived to be particularly high, competition is likely to be both fiercer and more polarized. Second, when time horizons are short and one-time outcomes are seen as unappealable, defections are more likely, as losers may be left with few incentives to remain in the party. Power-sharing institutions can address these concerns in three broad ways.

First, power-sharing institutions extend the time horizon of competition by creating opportunities to contest outcomes in regular, predictable intervals. The PRI’s \textit{dedazo}, for example, recurred reliably every six years toward the end of each presidential term. The expectation of repeated interactions incentivizes

winners to collaborate with losers and, more importantly, gives losers the opportunity to become winners over time. This provides strong incentives for actors who may have been disadvantaged by temporary distributional outcomes to remain loyal to the party.

Similarly, power-sharing institutions can limit the ability of current winners to influence future outcomes. Strong institutions constrain the behavior of all actors, regardless of variations in their personal endowments. Even the dedazo, which allowed the incumbent president (a “current winner”) to select his successor (thus “influencing future outcomes”) compelled each president to step down after six years, to select a particular type of successor (ministers were traditionally long-time party loyalists) and, more often than not, to have limited influence beyond his six-year term. As the dedazo shows, power-sharing institutions can reduce intraparty conflict by forcing winners to continue competing by the rules.

Finally, power-sharing institutions can disaggregate competition for a single type of resource into several arenas of competition. Consider, for example, the process through which ARENA nominated candidates for executive office during the cohesion period. First, the presidential candidate was chosen through negotiations between the two core constituencies in the months prior to each nominating party convention. However, unlike in many other parties, ARENA’s presidential nominee did not have complete autonomy in selecting his running mate. The “split tickets rule” compelled presidential nominees who were closely
associated with the capitalist constituency to select running mates closely associated with the oligarchic constituency, and vice versa. This institutional arrangement essentially disaggregated competition for a single resource (i.e. nominations for executive office) into two distinct arenas of competition (i.e. a negotiated nomination for the presidency and a distinct, balancing nomination for the vice presidency), thus transforming a potentially zero-sum interaction into a process that was more likely to benefit both constituencies (and, in the case of ARENA, explicitly guaranteed that this would be the case).

1.3.2 Outcome Effects

In addition to structuring the process of competition, power-sharing institutions can narrow down and redefine the range of outcomes that are likely to result from internal competition. More specifically, well-designed power-sharing institutions can reliably facilitate outcomes that are at least minimally acceptable to all core constituencies, creating a predictable and systematic bias toward consensual or, at the very least, mutually acceptable results.

How exactly do power-sharing institutions achieve this objective? In an extreme hypothetical scenario, the systematic bias toward consensual outcomes can be achieved by endowing each core constituency with some form of veto power over outcomes. By definition, these conditions should always result in consensual or quid pro quo outcomes. But such an institutional arrangement

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74 To use North’s terms, power-sharing institutions—like other institutions—can narrow and redefine the “opportunity pool.” See North Douglass, *Institutions, Institutional Change, and Economic Performance* (New York: Cambridge University Press, 1990), 13.
would likely bring about its own set of problems for party cohesion: inefficiency, perceived unfairness, and intraparty deadlock could all do more harm than good to both party unity and the stability of power-sharing institutions.

Instead, power-sharing institutions can provide powerful incentives for cooperation. To do so, institutional design will have to respond to underlying power structures on a party-by-party basis. But to illustrate the general effect, consider, once again, how ARENA’s traditional presidential nomination process worked. In theory, presidential candidates were chosen via a party convention in which anyone could be nominated and all members of the party could vote. In practice—and, I will argue, by design—the particular voting rules and distribution of voting delegates among constituencies created a powerful incentive for the two core constituencies to find a mutually acceptable candidate well in advance of the convention. By doing so, oligarchs and capitalists could avoid nominating a “limping dog”\footnote{Perro patajo. This term was used separately by two long-time ARENA strategists in personal interviews with the author on August 1 and August 8, 2014.}: a candidate who's ability to win the general election and to govern effectively is jeopardized after a prolonged and polarizing nomination fight. This power-sharing mechanism consistently produced candidates who were relatively loyal and minimally acceptable to both core constituencies, and these qualities helped determined candidates’ behavior once in office.\footnote{For more on the relationship between candidate selection mechanisms, loyalty patterns, and ways of governing, see Siavelis and Morgenstern, eds., \textit{Pathways to Power}, 1-33.} As I will show in subsequent sections of this thesis, all of ARENA’s power-sharing institutions
favored consensual or minimally acceptable outcomes through similar mechanisms.

This bias toward consensual outcomes can have a powerful effect on party cohesion. In a perfectly designed power-sharing institutional arrangement, all outcomes are at least minimally acceptable to each of the party’s core constituencies. While this does not ensure that any constituency will achieve its optimal outcome, it does allow each constituency to reap the benefits of cooperation—greater electoral mobilization, reduced extra-party competition, and so forth—without fully sacrificing programmatic autonomy or enabling “winners” to carry out unacceptable outcomes. Power-sharing institutions, therefore, cannot ensure that everyone wins—but they can ensure that nobody loses.

1.3.3 Explaining Variation Across Parties: Enforcement and Inclusiveness

Not all power-sharing institutions are created equal, and not all power-sharing institutions have the same overall process and outcome effects on cohesion and intraparty competition described above. What, then, determines whether power-sharing institutions succeed in legitimizing outcomes, containing competition, and reducing winner-takes-all interactions? What determines whether they are able systematically facilitate mutually acceptable outcomes? What, in short, determines which power-sharing institutions foster cohesion and
which do not? Other things being equal, I argue that the answer to these questions hinges on two key institutional characteristics: enforcement and inclusiveness.\textsuperscript{77}

I define enforcement as the degree to which rules and institutions are applied consistently and uniformly.\textsuperscript{78} Highly enforced institutions tend to be reliable and predictable, making no distinctions between different actors and successfully reducing uncertainty about their interactions.\textsuperscript{79} In particular, highly enforced institutions tend to limit the role of contingency and individual discretion in the interpretation of rules and procedures.\textsuperscript{80} In direct contrast, institutions with low levels of enforcement are not applied predictably or uniformly. Especially when their interpretation relies heavily on individual discretion or contingent factors, institutions with low levels of enforcement are more likely to be manipulated or ignored selectively by powerful actors.

\textit{Power-sharing institutions are more likely to foster party cohesion when they are highly enforced.} Only those institutions that are reliably and predictably enforced can result in the process effects described above: when institutions are unreliable or unpredictable, the rules of the game are not consistently enforced

\textsuperscript{77} In this section, I define the characteristics and explore how they mediate outcome and process effects. I briefly discuss how these characteristics may come about in section 2.4 below.

\textsuperscript{78} This is in line with several recent works on institutional analysis. See, for example, Levitsky and Murillo, “Building Institutions on Weak Foundations” and Mahoney and Thelen, eds., \textit{Explaining Institutional Change}.

\textsuperscript{79} This is also consistent with major works on the role of institutions. See, for example: Jack Knight, \textit{Institutions and Social Conflict} (New York: Cambridge University Press, 1992); Steven Levitsky, \textit{Transforming Labor-Based Parties in Latin America}, 16-17; and North, \textit{Institutions, Institutional Change, and Economic Performance}, 3.

and uncertainty continues to play a major role in intraparty conflict. Moreover, failure to consistently enforce power-sharing institutions also diminishes their outcome effects: when individual constituencies are able to selectively escape the incentives and constraints of power-sharing rules, they are more likely to bring about polarizing or non-consensual outcomes that are not minimally acceptable to other constituencies.

The second crucial institutional characteristic, I argue, is inclusiveness. Following Siavelis and Morgenstern, I adopt a minimalist definition of inclusiveness: Who gets to determine outcomes? Or, in the context of power-sharing institutions, which constituencies are able to compete directly for the party’s resources? While inclusive power-sharing institutions allow both core and non-core constituencies to compete on equal footing, exclusive power-sharing institutions limit competition primarily to core constituencies.

To illustrate this particular definition of institutional inclusiveness, compare two power-sharing institutions that regulate competition for legislative candidacies. In ARENA, legislative candidates were traditionally selected through a bargaining process between the two core constituencies that took place behind closed doors. In contrast, Argentina’s Justicialist Party (Partido Justicialista, or PJ) has traditionally distributed legislative candidacies through a combination of

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81 Siavelis and Morgenstern, eds., Pathways to Power, 15.

82 As with presidential nominations, the party then “confirmed” its candidates in a party-wide convention. This was little more than a formality. I discuss this power-sharing institution in more detail in the following chapter.
party primaries, elite arrangements, and competitive convention votes.\textsuperscript{83} While ARENA’s power-sharing institution is clearly exclusive, the PJ’s arrangement is considerably more inclusive, allowing non-core constituencies to compete for nominations through at least two mechanisms (i.e. party primaries and convention votes).

\textit{Power-sharing institutions are more likely to foster party cohesion when they are exclusive.} First, the institutional bias toward mutually acceptable outcomes is likely to be stronger and more stable when institutions cater to the preferences of fewer constituencies.\textsuperscript{84} Second, process effects are likely to be amplified when power-sharing institutions are exclusive, as the smaller number of constituencies facilitates accountability and enforcement.

Based on these two variables, then, we can create predictions for cohesion outcomes given different power-sharing institutional characteristics. As described above, power-sharing institutions that are highly enforced \textit{and} exclusive are likely to result in strong process and outcome effects and high levels of party cohesion. On the other end of the theoretical spectrum, institutions that are inclusive and leniently enforced are likely to result in marginal process and outcome effects and low levels of cohesion. In between these two extremes,


\textsuperscript{84} There are two key intuitions here. The first is that the number of outcomes that are minimally acceptable to all constituencies decreases as the total number of constituencies grows. The second is that incentives to cooperate will be more effective when the number of constituencies is small.
institutions that are highly enforced but inclusive or exclusive but with low enforcement are likely to result in intermediate levels of cohesion, as their parties benefit from one of the two institutional characteristics. These predictions are summarized in Figure 3 below.

**Figure 3**

*Power-Sharing Institutions and Cohesion Outcomes*

<table>
<thead>
<tr>
<th>Inclusiveness</th>
<th>Exclusive</th>
<th>Inclusive</th>
</tr>
</thead>
<tbody>
<tr>
<td>High Enforcement</td>
<td>High levels of cohesion</td>
<td>Intermediate levels of cohesion</td>
</tr>
<tr>
<td>Low Enforcement</td>
<td>Intermediate levels of cohesion</td>
<td>Low levels of cohesion</td>
</tr>
</tbody>
</table>

### 1.4 Power-Sharing Institutions: Explaining Schisms

So far, I have argued that variations in cohesion across parties can be explained by different types of power-sharing institutions. In particular, I have posited that parties with power-sharing institutions that are both exclusive and highly enforced will generally enjoy high levels of cohesion. Such institutions create clear rules of the game and a powerful bias toward outcomes that are minimally acceptable to all core constituencies.

But cohesion, of course, is just the first of the two puzzles at the core of this thesis. Why do sudden (and not so sudden) schisms occur? My argument is in three parts:
(i) High enforcement and exclusiveness—the same characteristics that allow power-sharing institutions to foster party cohesion—are also conducive to institutional rigidity.

(ii) In periods of what I call coalitional adjustment, institutional rigidity reduces parties’ adaptive capacity. In other words, exclusive and highly enforced power-sharing institutions limit the ability of parties to respond to changing environmental forces effectively.

(iii) The inability of parties to effectively manage periods of coalitional adjustment can lead to schisms, often accompanied by the collapse or sudden replacement of power-sharing institutional frameworks.\textsuperscript{85}

In the next three subsections, I will expand on each of these three components of the argument.

1.4.1 Power-Sharing Institutions and Institutional Rigidity

Ordinarily, political life benefits from institutional strength. Enduring and well-enforced institutions are said to generate predictability, efficiency, and

\textsuperscript{85} The fundamental premise of this argument—that institutions can have an important effect on adaptive capacity—has been explored by scholars such as Samuel Huntington (in \textit{Political Order in Changing Societies} [New Haven: Yale University Press, 1968], 13-17) and Angelo Panebianco (in \textit{Political Parties: Organization and Power} [Cambridge: Cambridge University Press, 1988], 261). Political scientists, however, tend to disagree on the overall effect of institutions on adaptive capacity, as well as the particular mechanisms through which adaptive capacity is affected. In terms of overall effects, my particular argument is most similar to Levitsky’s, who argues that “the absence of bureaucratic hierarchies, stable routines, and norms of accountability may be expected to facilitate party adaptation in a context of environmental crisis or change” (Levitsky, \textit{Transforming Labor-Based Parties}, 22).
stability; their absence is said to provoke uncertainty, inefficiency, and volatility.\textsuperscript{86} These observations hinge on the premise that strong institutions tend to be unresponsive to changes in the environment: in the face of uncertain circumstances, institutions can provide structure and stability to everyday political life.

When change is required, however—perhaps during moments of crisis or rapid environmental transformation—the imperviousness of institutions to contextual demands can have devastating consequences.\textsuperscript{87} Institutions are said to be rigid to the extent that they are “sticky”\textsuperscript{88} or unresponsive to changes in the environment. In the context of power-sharing institutions, both high enforcement and exclusiveness exacerbate institutional rigidity.

Consider, first, high enforcement. Over time, actors internalize highly enforced institutions, taking them “for granted” as part of the “objective reality” of political life.\textsuperscript{89} In other words, institutions are gradually seen as unappealable principles instead of tools that may be adapted and reformed. This contributes to


\textsuperscript{88} Levitsky, Transforming Labor-Based Parties, 19.

power-sharing institutional rigidity in at least three major ways. First, even during moments of crisis or rapid environmental change, core constituencies are more likely to follow the well-established rules of the game without considering the costs of compliance or possible behavioral alternatives. Second, even when core constituencies do consider institutional change, the perceived costs of abandoning old rules—and the investments core constituents have made around them—is a powerful deterrent for reform. Finally, high enforcement reduces ambiguities in the interpretation and implementation of institutions, limiting the opportunity for gradual (and not so gradual) institutional change—even among those actors who are not particularly invested in the current rules of the game.

Similarly, consider exclusiveness. By limiting competition primarily to core constituencies, exclusive power-sharing exacerbates institutional rigidity through at least two broad mechanisms. First, when fewer actors are involved, the costs of abandoning old rules are likely to be both greater and more

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91 In other words, the transaction costs of reform are too high. See Douglass North, “A Transaction Cost Theory of Politics,” *Journal of Theoretical Politics* 2, no. 4 (October, 1990), 364-5. Levitsky refers to this as the “rational actor (or calculus-based)” mechanism (*Transforming Labor-Based Parties*, 18-19). For a discussion of increasing returns to institutions more generally, see Paul Pierson, *Politics in Time: History, Institutions, and Social Analysis* (Princeton: Princeton University Press, 2006), especially 17-53.

92 This is insight is derived from Mahoney and Thelen, who argue that gradual institutional change is driven by ambiguities in interpretation and implementation (see Mahoney and Thelen, eds., *Explaining Institutional Change*). Similarly, Panebianco argues that high enforcement “drastically” limits “internal actors’ margins of maneuverability” (*Panebianco, Political Parties*, 58).
concentrated. As a result, incentives against institutional change are exacerbated by exclusiveness. Second, exclusiveness tends to isolate power-sharing institutions from environmental changes that do not directly involve core constituencies. Thus, exclusive power-sharing institutions are both less responsive to pressures for change and less exposed to such pressures. As the ARENA case will demonstrate, this means that power-sharing institutional change is more likely to occur drastically and during moments of extreme environmental change, in a pattern similar to what historical institutionalists call “punctuated equilibrium.”

In sum, both high enforcement and exclusiveness increase power-sharing institutional rigidity through a variety of mechanisms, including raising the transaction cost of institutional change (as well as skewing its distribution), limiting opportunities for gradual change, isolating power-sharing institutions from environmental changes that do not directly affect core constituencies, and limiting the likelihood that the key actors involved will consider institutional reform, even during periods of crisis.

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93 This is both because fewer actors will have to bear the transaction costs of change and because investments in the old rules have been incurred by fewer actors. These insights are grounded on the transaction cost theory of politics outlined by North, *Institutions, Institutional Change, and Economic Performance* and North, “A Transaction Cost Theory of Politics.”

1.4.2 Institutional Rigidity, Adaptive Capacity, and Coalitional Adjustment

Periods of coalitional adjustment occur when social changes place pressure on parties to adjust the composition of their core coalitions. Such periods are triggered and signaled by the emergence of new constituencies within the strata of society that parties claim to represent or by changes in the size, strength, and programmatic affinities of preexisting core constituencies. These social changes, in turn, can be the result of both structural and institutional forces, such as urbanization and suffrage expansion, respectively.95

In the early 20th century, for example, the rapid reduction of peasant populations prompted periods of coalitional adjustment among many of Latin America’s traditional conservative parties.96 Similarly, in the late 1960s, the expansion of suffrage for African-Americans sparked coalitional changes in both of the United States’ major political parties.97 Later, in the 1980s, the decline of the industrial working class placed powerful pressures on labor-based parties, such as the Argentine PJ, to adjust their core coalitions.98 And, as I will argue, in

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95 Periods of coalitional adjustment are distinct from critical junctures because they do not necessarily imply a significant transformation of social cleavages. For example, as in El Salvador, the rise of a new upper strata constituency may not trigger major cleavage of regime-level changes, but rather affect the way in which the upper strata organizes itself. As a result, periods of coalitional adjustment are likely to be both more common and less consequential than critical junctures. See Ruth Berins Collier and David Collier, Shaping the Political Arena: Critical Junctures, the Labor Movement, and Regime Dynamics in Latin America (Princeton: Princeton University Press, 1991), 27-40.


98 See, for example, Levitsky, Transforming Labor-Based Parties.
the 2000s the emergence of a new constituency of economic elites triggered a period of core coalitional adjustment within ARENA.

What all of these periods have in common is that social change compelled parties to reexamine their core coalitions, sometimes as a result of strategic choices (e.g. the US Republican Party’s “Southern Strategy” in the late 1960s) and sometimes as a result of necessity (e.g. traditional conservative parties in response to shrinking peasant populations).

The examples above also illustrate that, regardless of the particular incentives at play, coalitional adjustment places strong pressures on parties to adapt the rules and procedures that structure intra-party competition for power and resources—to adapt, in other words, their power-sharing institutions. In these moments of change institutional rigidity becomes a crucial constraint: because rigid institutions are particularly resistant to reform, they limit parties’ adaptive capacity (i.e their ability to adjust quickly and effectively to changes in the underlying power dynamics).99 In other words, when power-sharing institutions are exclusive and highly enforced, they constrain the ability of parties to successfully manage periods of coalitional adjustment through existing institutions.

1.4.3 From Cohesion to Schism

When parties are unable to absorb pressures for coalitional adjustment by adapting their power-sharing institutions, three institutional outcomes are

theoretically possible: collapse, replacement, and non-reform. Institutional collapse occurs when power-sharing institutions break down under environmental pressures and are not replaced. Replacement occurs when new institutions emerge following institutional collapse. And, finally, non-reform occurs when institutions remain largely unchanged. In all of these cases, schisms are likely, as the institutional incentives (i.e. the “process” and “outcome” effects described above) that hold the core coalition together are removed, replaced, or severely weakened.

What particular path are schisms likely to follow? I argue that the answer depends on one key factor: whether coalitional adjustment involves the emergence of a potential new core constituency. When this is the case, a second distinction is crucial: whether the splinter party emerges around this new core constituency or around a traditional core constituency—in other words, who leaves the party? Combinations of these two variables result in three different types of schisms, summarized in Figure 4 below.

**Figure 4**

*Types of Schism*

<table>
<thead>
<tr>
<th>Schism Type</th>
<th>New Core Constituency</th>
<th>Departing Constituency</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>Failed Accommodation</td>
<td>Yes</td>
<td>New Constituency</td>
<td>ARENA (El Salvador, 2009)</td>
</tr>
<tr>
<td>Displacement</td>
<td>Yes</td>
<td>Traditional Constituency</td>
<td>PRI (Mexico, 1989)</td>
</tr>
<tr>
<td>Fissure</td>
<td>No</td>
<td>Traditional Constituency</td>
<td>PAN (Guatemala, 1990s)</td>
</tr>
</tbody>
</table>
During failed accommodation schisms, parties unsuccessfully attempt to incorporate a new constituency into their core coalition. As I will show, for example, ARENA’s 2009 schism involved the initial incorporation of a new core constituency of elites. However, power-sharing institutional collapse triggered a period of internal conflict that resulted in the departure of that new core constituency. During displacement schisms, parties do succeed in incorporating a new constituency into its core coalition, but at the cost of another core coalition’s departure. According to some analyses, this is the process that resulted in the formation of Mexico’s Party of the Democratic Revolution (Partido de la Revolución Democrática, or PRD), a splinter of the ruling PRI.\textsuperscript{100}

Finally, fissure schisms do not involve the emergence of a new core constituency. Instead they may occur when environmental pressures force traditional core constituencies to drift away from each other on programmatic, ideological, or power-distributional grounds. The splits that Guatemala's National Advancement Party (Partido de Avanzada Nacional, or PAN) suffered in the late 1990s and early 2000s were clear instances of fissure.\textsuperscript{101}

1.5 Environmental Factors and the Origins of Power-Sharing Institutions

The general approach to change informing this thesis, then, is not that institutions matter and environmental factors do not. Perceived redistributionist

\textsuperscript{100} Ruth Berins Collier, \textit{The Contradictory Alliance: State-Labor Relations and Regime Change in Mexico} (Berkeley: International Area Studies, 1992).

\textsuperscript{101} Loxton, “Authoritarian Inheritance and Conservative Party-Building,” 504-561.
threats, changing social cleavages, and electoral institutions, for example, are all major political forces that are likely to shape the life of a party. Rather, this thesis argues that the impact of such environmental factors on cohesion is mediated by power-sharing institutions. As a result, comparable environmental realities may have divergent results (and vice versa) under different power-sharing institutional arrangements. In this sense, in a world where environmental change is ubiquitous, it is power-sharing institutions that ultimately drive cohesion outcomes.\textsuperscript{102} Also informing this thesis, however, is the premise that institutions cannot successfully mediate all environmental forces. Especially during moments of crisis or structural environmental change (e.g. periods of coalitional adjustment) institutions themselves must adapt in order to serve as successful mediators of powerful environmental forces. When power-sharing institutions fail to adapt in this way, schisms are likely.

In order to fully understand the causal implications of the theory, however, a more specific question regarding the relationship between power-sharing institutions and environmental factors must be addressed: where do exclusive and highly enforced power-sharing institutions come from?

In this section, I argue that two environmental factors have a major impact in determining the extent to which power-sharing institutions are exclusive and

\textsuperscript{102} As I will argue in the next two chapters, the ARENA case presents several opportunities to test this assumption. For example, during moments of relative environmental stability, changes in power-sharing institutions had powerful effects on cohesion outcomes. Similarly, during moments of relative environmental volatility, unchanging power-sharing institutions led to stable cohesion outcomes.
highly enforced: threat and social structure. More specifically, I hypothesize that
conservative parties based on elite constituencies that are small, relatively
homogenous, and faced with redistributionist threats or widespread violence (or
both) are more likely to adopt power-sharing institutions that are exclusive and
highly enforced. Below, I briefly summarize the expected effects of these
environmental factors on the process of power-sharing institutional formation.

(i) Threat: Violent Conflict and Redistribution

A wide range of works in political science, from Tilly’s study of European
state-formation to Levitsky et al’s survey of Latin American party-building, have
examined the impact of war and violence on political outcomes.\(^\text{103}\) In that same
vein, I hypothesize that environments or recent legacies of threat—in the form of
violent conflict or redistributionist movements—are likely to result in power-
sharing institutions that are both exclusive and highly enforced.\(^\text{104}\) This occurs
through at least three main causal mechanisms.

First, threat increases the cost of organizational failure.\(^\text{105}\) In the presence
of redistributionism or violent conflict, each individual constituent is more likely
to comply with a party’s rules and norms because the individual costs of

\(^{103}\) Charles Tilly, *Coercion, Capital, and European States: AD 900-1992* (Cambridge,
MA: Basil Blackwell, 1990) and Steven Levitsky, James Loxton, Brandon Van Dyck, and

\(^{104}\) Violent conflict and redistributionist threats, of course, need not go hand in hand. However, their expected impact on power-sharing institutional outcomes are so similar
that, for the sake of space clarity, I have condensed those two environmental variables
into a general “threat”category.

\(^{105}\) See, for example, Yemile Mizrahi, *From Martyrdom to Power: The Partido Acción
Nacional in Mexico* (Notre Dame: University of Notre Dame, 2003).
collective non-compliance are likely to be prohibitively high.\textsuperscript{106} Thus, threat is likely to result in highly enforced power-sharing institutions.

Second, threat can serve as a unifying force among elites.\textsuperscript{107} This facilities the emergence of highly enforced institutions because constituents are more likely to oversee their differences and respond similarly to the same institutional incentives and enforcement mechanisms.

Finally, threat increases fear of institutional capture.\textsuperscript{108} In an effort to ensure loyalty and protect themselves against “infiltration,” conservative parties in violent or redistributionist environments are more likely to limit the number and range of individuals who wield internal power. This is likely to result in the creation of exclusive power-sharing institutions.

(ii) Social Structure: Small, Homogenous Elites

I also hypothesize that two social variables are particularly conducive to highly enforced, exclusive, and informal power-sharing institutions: small and homogenous upper strata. This occurs through at least two broad mechanisms.

First, as a result of increased socialization, relatively small and homogenous upper strata enable highly enforced institutions by facilitating the formation of strong elite networks through which rules can be enforced.\textsuperscript{109}

\textsuperscript{106} See Olson, \textit{The Logic of Collective Action}, 53-60.

\textsuperscript{107} See, for example, Frieden, \textit{Debt, Democracy, & Development}.

\textsuperscript{108} See, again, Yemile Mizrahi, \textit{From Martyrdom to Power}.

Similarly, societies with relatively small and homogenous upper strata tend to have historical legacies of elite cooperation, which facilitates the creation, communication, and enforcement of rules.\textsuperscript{110}

Second, small homogenous upper strata can provide both the impetus (through historical legacies of exclusion and fears of redistribution) and the tools (through the existence of clear exclusion criteria) for the creation of exclusive power-sharing institutions.

Though both of these environmental factors—threat and social structure—are independently conducive to exclusive and highly enforced power-sharing institutions, their effects are mutually reinforcing. The presence of threat reinforces the effects of small, homogenous upper strata by strengthening elite networks, increasing fears of redistribution, and highlighting exclusion criteria. Similarly, small and homogenous upper strata reinforce the effects of threat by concentrating the costs of organizational failure among fewer actors, reducing heterogeneity, and providing pre-existing exclusion criteria. As a result, conservative parties in societies with small, homogenous upper strata that emerge in the midst of violent conflict or redistributionist threats are likely to have especially exclusive and highly enforced power-sharing institutions.

\section*{1.6 Possible Limitations}

To conclude the chapter, in this section I will briefly examine two possible limitations of the argument related to core constituency coalitions and party types.

\textsuperscript{110} Stanley, \textit{The Protection Racket State}. 
1.6.1 Core Coalitions: Class-Based vs. Non-Class-Based

Up to this point, this chapter has assumed that parties are consistently class-based organizations, the core coalitions of which can be broken down into several class-based core constituencies. This, however, is not the case among all parties. Some parties, for example, are composed of core constituencies that are based primarily on ethnicity (e.g. the African National Congress in South Africa) or ideological currents (e.g. the FMLN in El Salvador). Though such parties may still be conservative—in the sense that their core constituencies may be drawn principally from the upper strata of society—core coalitional dynamics are less likely to be governed by class or subclass.

Among such parties, the fundamental argument in this chapter still holds, with non-classed based constituencies behaving, generally, much like their class-based counterparts. In these cases, however, there is an important qualification with respect to periods of coalitional adjustment: the environmental changes that can bring about such periods are likely to be different from their counterparts in parties with class-based core constituencies. For example, while changes in the number and associational patterns of economic elites can trigger a period of coalitional adjustment in a party like ARENA (with its class-based core constituencies), the same environmental changes are unlikely to have the same effect on the FMLN (with its ideology-based core constituencies).
1.6.2 Party Types: Conservative vs. Non-Conservative Parties

Another central assumption of this chapter has been that the explanatory scope of the theory is limited to conservative parties—which I have defined, building on Gibson, as those parties that are characterized, above all, by the upper-strata nature of their core constituencies. To what extent might this theory apply to parties that, though primarily defined by the social origin of their core constituencies, do not draw those constituencies from the “upper strata”?

The theory is likely to be less representative of these parties for at least one major reason. Namely, such parties are likely to have larger, less clearly delineated core constituencies. This creates problems of representation, enforcement, and collective action that are less endemic among conservative parties. These issues, in turn, are likely to weaken several of the central causal mechanisms described in this chapter, including those that describe the effects of power-sharing institutions and the processes and consequences of coalitional adjustment.

Due to the spatial and temporal limitations of this thesis, however, examining the extent to which these predicted limitations may be true will be the task of future research.

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Chapter 2
The Origins of ARENA’s Power-Sharing Institutions, 1980-1989

The following three chapters apply the theory developed in Chapter 1 to the ARENA case. This chapter provides historical background and traces the origins of ARENA’s power-sharing institutions, noting that by 1989—when party founder Roberto D’Aubuisson stepped down as its uncontested leader—internal competition and intraparty conflict were regulated and structured by five well-established, exclusive, and highly enforced power-sharing institutions. Chapter 3 traces the effects of these power-sharing institutions during ARENA’s long period of cohesion (between 1989 and 2004), arguing that they were the main drivers of the party’s oft-cited “granitic unity.” Finally, Chapter 4 explores the period of declining cohesion between 2004 and 2009 that resulted in ARENA’s schism. It argues that the rigidity of ARENA’s power-sharing institutions constrained the party’s ability to accommodate a new upper strata constituency. After a failed attempt at accommodation that resulted in the collapse of ARENA’s power-sharing institutional framework, the “new bourgeoisie” led and embodied by President Elías Antonio (“Tony”) Saca abandoned the party and became the core constituency of the Grand Alliance for National Unity (Gran Alianza por la Unidad Nacional, or GANA).
The rest of this chapter is divided into three parts. First, I outline the historical backdrop to ARENA’s formation, describing how the 1979 coup d’état and the collapse of the “protection racket” coalition that had monopolized Salvadoran politics since the 1930s created a crisis of elite representation. Second, I argue that this crisis of elite representation provided the social foundations for ARENA’s core coalition between the traditional oligarchy and the budding commercial bourgeoisie. I also argue, however, that profound differences between these two upper strata constituencies presented a significant cohesion-building challenge for party entrepreneurs. Finally, I examine the principal power-sharing institutions that emerged, between approximately 1980 and 1989, as a response to this cohesion-building challenge.

2.1 Historical Backdrop: The 1979 Coup and the Collapse of the Protection Racket Coalition

Popular accounts of ARENA’s origins tend to begin in the same place: on October 18, 1979, when, three days after a coup d’état led by junior military officers, veteran army major Roberto D’Aubuisson resigned from the armed forces and vowed to form a new political movement.1 “I’ll eat shit if I have to,” D’Aubuisson reported to his wife, “but I won’t work for the communists.”2

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1 See, for example, Claudio de Rosa, 30 Años trabajando por El Salvador: Historia política de ARENA, 1981-2011 (San Salvador: Editorial Cinco, 2011), 18-19.
2 Ibid.
In fact, ARENA’s story began in 1932. Twenty years earlier, El Salvador’s traditional landed elites had started a slow but significant process of political liberalization that enabled the rise of two labor unions and the Salvadoran Labor Party (Partido Laborista Salvadoreño, or PLS). In 1930, with the blessing of the Armed Forces, PLS candidate Arturo Araujo won the presidency in El Salvador’s first relatively free election. Only months into Araujo’s mandate, however, the Great Depression caused the world price of coffee to collapse and plunged El Salvador into economic crisis. The conservative reaction was swift and violent: the army quickly removed Araujo from office and appointed General Maximiliano Hernández Martínez as president. In January 1932, following a small insurgency against Hernández’s oppressive rule, the Salvadoran security forces massacred 25,000 peasants in what became known as La Matanza—the killing. From this period emerged the “protection racket” coalition that would monopolize the Salvadoran state until 1979: landed elites “delegated” the task of governing to the armed forces in exchange for the protection of their economic interests, while the Catholic Church provided both actors with significant legitimacy. In 1961, during another period of relative political liberalization, the National Conciliation Party

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3 These were the Workers’ Confederation of El Salvador (Confederación de Obreros de El Salvador, or COES) in 1918 and the Regional Workers’ Federation of El Salvador (Federación Regional de Trabajadores Salvadoreña, or FRTS) in 1924.

4 Montgomery, Revolution in El Salvador, 28-29.

5 Ibid., 28-34.

6 Ibid., 37-50; Stanley, The Protection Racket State, 41-69.
(Partido de Conciliación Nacional, or PCN) was formed to represent this coalition between landed elites, the armed forces, and the church.\textsuperscript{7}

The protection racket state and the coalition at its core began to collapse in the late 1960s. Increasingly violent Marxist groups and urban guerrillas questioned the very legitimacy of the state and threatened to end its stability. Influenced by these Marxist movements as well as by the proliferation of liberation theology, reformist wings inside both the Catholic Church and the armed forces grew progressively powerful. By 1978, the Carter government in the United States would “advise” then-president General Carlos Humberto Romero to hold open elections and begin addressing the “structural roots” of El Salvador’s incipient civil war.\textsuperscript{8}

The protection racket state collapsed on October 15, 1979, when a reformist movement of junior military officer staged a coup d’état and announced the establishment of a Revolutionary Government Junta comprised of two reformist colonels and three civilian left-wing activists.\textsuperscript{9} For the first time since the 1930s, Salvadoran elites had lost access to the state. In the following months, ARENA would emerge as a direct response to this sudden crisis of elite representation.

\textsuperscript{7} Stanley, The Protection Racket State, 50.


\textsuperscript{9} Montgomery, Revolution in El Salvador, 73-78.
2.2 ARENA’s Social Foundations: Oligarchs, Capitalists, and Party Entrepreneurs

In 1979, the elite “upper strata” of Salvadoran society consisted of two distinct constituencies: the traditional oligarchy and a budding capitalist bourgeoisie. The oligarchy had descended from the large landowners who had historically comprised the upper strata of Salvadoran society. Though some oligarchs had begun to diversify away from primary products, their formidable wealth—agricultural exports accounted for 38% of GDP in 1980—was derived mainly from control over the country’s arable land and the exportation of coffee and other agricultural products. Deeply marked by the events of the early 1930s, oligarchs—based primarily in rural and semi-urban areas—were ideologically conservative, devoutly religious, and fervently opposed to reformism and anything that could resemble “communism.” Crucially, they favored a large state that could easily stamp out communist movements and protect El Salvador’s “agro-export” model of growth.

On the other hand, the emerging capitalist bourgeoisie had descended from Iberian immigrants who arrived in El Salvador during the early 20th century.

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10 Segovia, *Reforma estructural*, 9-29; Dunkerley, *Power in the Isthmus*, 342-346. Hereafter, I refer to individual members of the oligarchy as oligarchs, and as individual members of the bourgeoisie as capitalists.


Unable to compete with the oligarchy for a sizable share of the agricultural market, these immigrants quickly pioneered a variety of industries, ranging from real estate to the distribution of imported manufactured goods. The second and third generations of capitalists were largely American-educated and urban-based. Until the late 1970s, however, their wealth had paled in comparison to the oligarchy’s. As a result, they had historically been denied access to the state and excluded from the “protection racket” and the National Conciliation Party. In direct contrast to the oligarchy, the bourgeoisie were generally more secular and relatively progressive on both political and social issues. Crucially, they favored political and commercial liberalization, the adoption of neoliberal economic policies, and, in general, the creation of a smaller state.

Army Major Roberto D’Aubuisson—the high-ranking intelligence officer who resigned shortly after the reformist coup of 1979—and a small circle of other party entrepreneurs envisioned the formation of a conservative party based on these two core constituencies. Their main objective was to “rescue the country from communism,” which they saw embodied in both the Marxist guerrillas and

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the reformist junta. They considered the oligarchy and the bourgeoisie “natural allies” in this anti-communist crusade.

Indeed, the two constituencies were, in some ways, natural allies. They shared not one but two violent and redistributionist threats in the Marxist guerrillas and the revolutionary junta—many members of both the oligarchy and the bourgeoisie had been forced into exile by 1980. Both constituencies had lost all access to the state in 1979. And, crucially, both oligarchs and capitalists opposed any radical transformation of Salvadoran society.

However, the differences between the two constituencies were equally salient. They favored contrasting economic growth models, and the question of agrarian reform was particularly contentious: while land redistribution was nothing short of an existential threat to the oligarchy, leaders of the bourgeoisie went as far as to personally lobby the revolutionary junta in favor of faster and more drastic reform. Perhaps more immediately relevant were the two constituencies’ divergent political objectives. The oligarchy was “fanatically” anti-communist, and sought, above any other political objective, to deny the left—armed or unarmed—any access to the state. In contrast, capitalists, though also anti-communist, were significantly more moderate: they favored democratization

17 De Rosa, 30 años trabajando por El Salvador, 5-7.
18 Ibid., 9.
19 Galeas, Sol y acero, 118-136.
20 Tapia, El ascenso de la nueva derecha, 3.
21 Segovia, Transformación estructural, 34-39.
as a long-term goal and sought, above any other political objective, the return of peace and stability. In general, then, while oligarchs categorically rejected any possible transformation of Salvadoran society, capitalists were eager to foster gradual change—especially if it allowed them, at last, direct access to the state. These differences were exacerbated by historical legacies of distrust and antagonism between the two constituencies. As a prominent member of the bourgeoisie remarked, “the ones from the countryside [i.e. oligarchs] looked down on the ones from the city [i.e. capitalists] because they saw themselves as the true descendants of the próceres [i.e. founding fathers] and as the keepers of the homeland, while the ones from the city always resented the ones from the countryside for excluding them and mocked them for being ‘uncivilized.’” An old-time oligarch was more succinct: “Remember Roberto [D’Aubuisson]’s famous quote about working for the communists? Well, that’s how I felt back then about working with the businessmen too!”

Unsurprisingly, forming a cohesive core coalition was identified by D’Aubuisson and his fellow party entrepreneurs as “the first and most urgent challenge.” As another party entrepreneur and childhood friend of D’Aubuisson explained: “We knew there was great potential…but we also knew that finding a

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23 Interview by author, San Salvador, July 1, 2014.

24 Interview by author, San Salvador, June 24, 2014.

25 ARENA Founder and Member of the First COENA, interview by author, San Salvador, June 23, 2014.
way for the two groups to form a single team…would be an enormous, enormous problem."

2.3 ARENA’s Power-Sharing Institutions: “Learning to Be Friends”

ARENA’s network of power-sharing institutions emerged in response to this cohesion-building challenge. In line with the theoretical discussion presented earlier in this thesis, ARENA’s party entrepreneurs saw the challenge of cohesion in terms of scarce resources and divergent preferences: in order to craft a cohesive and long lasting core coalition, oligarchs and capitalists would have to be persuaded to contribute to and compete for a common pool of party resources despite their profound differences. As D’Aubuisson’s associate and childhood friend recalled:

You’d think that because everyone was in the gutter, everyone would be happy to work together…But their stubbornness surprised me. These people were used to managing their own resources and always having their way…Trust was a big problem. Neither wanted to be used by the other—or by Roberto [D’Aubuisson] and his circle. Even when we finally got them to start cooperating, it felt temporary…Roberto and I were always

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26 Interview by author, San Salvador, August 9, 2014.

afraid that the party would fall apart at any big disagreement. And
we knew already that there would be many of those.²⁸

Between 1981 (when ARENA was formally founded) and 1989 (when ARENA
won the presidency for the first time), the party adopted a strong network of
power-sharing institutions as a direct response to these concerns.

The institutions that emerged were distinctly exclusive and highly
enforced. As predicted by the theory, these characteristics were deeply rooted in
both the raging violent conflict and the small, relatively homogenous nature of the
Salvadoran upper strata. Oligarchs, capitalists, and party entrepreneurs all
interpreted the 1979 coup and the collapse of the protection racket state as a result
of the armed forces, the PCN, and the state itself becoming “infiltrated with
subversive Marxist elements.”²⁹ After the end of the war, testimony from former
guerrilla fighters would confirm these suspicions. A former member of the FMLN
explained:

We had them in our hands! We had our people in the military, the
PCN, the church, the US embassy, and almost every ministry…The
comrades in the military were the most important for the fall of the

²⁸ Interview by author, San Salvador, June 17, 2014.
²⁹ Party founder, Interview by author, San Salvador, August 19, 2014; Former Member of
the COENA, Interview by author, San Salvador, July 23, 2014.
dictatorship [in 1979]...Who do you think inspired and supported
[the reformist junior officers behind the coup]? Us!\(^\text{30}\)

These experiences instilled in the Salvadoran elites an “obsessive paranoia” in the early 1980s.\(^\text{31}\) In order to avoid the same fate for ARENA, both core constituents and entrepreneurs were determined to ensure that “the leadership of the party” was comprised only of those whose “loyalty was indisputable.”\(^\text{32}\) In practice, this translated to exclusive power-sharing institutions that concentrated control of the party in the hands of the core constituencies.

This impetus toward institutional exclusiveness was both compounded and facilitated by the small and relatively homogenous nature of Salvadoran elites.\(^\text{33}\) According to a classic study of Salvadoran society in the late 1970s, the bulk of the oligarchy consisted of roughly 35 “family clusters.”\(^\text{34}\) Similarly, according to my own estimations, the bourgeoisie of the early 1980s consisted almost entirely of 23 clusters.\(^\text{35}\) As an ARENA founder recalled: “Several times we all met in my

\(^{30}\) Interview by author, San Salvador, July 16, 2014.


\(^{33}\) Elites were relative homogenous in the sense that they were not divided by particularly salient ethnic, racial, religious, or geographic cleavages. Their differences originated simply from their ownership of different means of production.


\(^{35}\) I cross-referenced publicly available information regarding corporate board memberships with data on the genealogy of the Salvadoran upper strata collected in Carlos Rodolfo Paniagua Serrano and Ana Mercedes Chávez Henríquez, “El Bloque Empresarial Hegemónico Salvadoreño” (Undergraduate thesis, Universidad Centroamericana José Simeón Cañas, 2000).
home in San Salvador. All of us. And I didn’t even need to get extra chairs, not once.”

This ensured that criteria for institutional exclusion were easy to identify and apply: “We knew exactly who was who,” recalled the same party founder. “From the very beginning, in the party it has been very clear who is ‘inside’ and who isn’t,” explained a veteran ARENA legislator.

The violent conflict and the small, relatively homogenous nature of elites also contributed to the establishment of highly enforced institutions. Because there were so few socioeconomic elites—approximately 58 family clusters in total—and the elites in each constituency often shared schools, churches, and social clubs, the social networks among ARENA’s core constituencies were exceptionally dense. To illustrate, I took a sample of 10 core constituents—six capitalists and four oligarchs—and explored the social bonds between them. I considered a bond between two constituents to be complete if, in 1981: (1) The two individuals identified each other as “close friends”; (2) The two individuals were related by blood or marriage; or (3) The two individuals were business partners. Data from my interviews suggests that out of 45 possible social bonds, 34 (76%) actually materialized. When I explored a weaker type of social bond—whether the constituents simply “knew each other”—44 of the 45 potential bonds

36 Interview by author, San Salvador, August 11, 2014.
37 Ibid.
38 Interview by author, San Salvador, August 24, 2014.
39 Of the 21 socioeconomic elites I interviewed, 14 had attended the the same three high schools and 19 had belonged, at some point, to one of El Salvador’s two elite social clubs.
(98%) materialized. These exceptionally dense social networks resulted in highly enforced power-sharing institutions because they created powerful social incentives for compliance. As the following chapter will illustrate, the actions of individual core constituents were constantly conditioned by their sense of social responsibility toward each other. As a prominent businessman explained, “in ARENA, if you drop the ball, you’re dropping the ball on your friends, your business partners, and your in-laws. So you don’t drop the ball.”

In short, the environment in which ARENA developed was strongly conducive to the emergence of exclusive and highly enforced power-sharing institutions. The violent conflict increased fears of institutional capture, while small and relatively homogenous nature of core constituents facilitated exclusion criteria and resulted in dense social networks through which institutions could be easily and effectively enforced.

The rest of this chapter describes the five power-sharing institutions that were at the core of ARENA’s internal apparatus until the years preceding the 2009 schism. These institutions originated between 1980 (when ARENA was unofficially founded) and 1989 (when ARENA won its first presidential election),

40 Interview by author, San Salvador, June 19, 2014. “Bonds” among members of the same constituency were much more abundant than “bridges” between members of different core constituencies. Networks were particularly strong within each constituency, therefore, but power-sharing institutions were still necessary to guarantee coordination between the two constituencies.

41 The list presented in this chapter is not exhaustive: several aspects of intraparty competition within ARENA were regulated by institutions that are not described in this thesis. In the interest of clarity and given the temporal constraints of this study, I have decided to focus on the power-sharing institutions that regulated competition for ARENA’s five most coveted assets: presidential nominations, vice-presidential nominations, legislative nominations, party funds, and the party presidency.
as the party experienced internal competition for the first time: during that decade, ARENA amassed and distributed party funds for the first time, appointed its first two party presidents, and nominated its inaugural candidates for the presidency, the vice presidency, and the Legislative Assembly.\textsuperscript{42} Party founder Roberto D’Aubuisson was crucial in the formation and consolidation of these institutions—though their characteristics, as I have argued, were determined primarily by environmental factors—and, by ARENA’s rise to the presidency in 1989, they were well-established and well-understood by the core constituencies. Figure 5 below summarizes these power-sharing institutions.

2.3.1 Presidential Candidate Selection: The Pre-Assemblies

Formally, ARENA’s presidential candidates were to be selected a year before each election through a meeting of the party’s General Assembly. The assembly delegates—the number of which oscillated between 300 and 500\textsuperscript{43}—were tasked with hearing speeches from the possible candidates and selecting the nominee through a non-confidential vote. Any registered member of the party who was constitutionally eligible to run for president was technically free to enter his or her name in the race for the nomination.\textsuperscript{44} This process was meant to be “democratic” and “ensure that the chosen candidate had the support of the party

\textsuperscript{42} De Rosa, \textit{30 años trabajando por El Salvador}, 45-92.

\textsuperscript{43} ARENA campaign strategist, Interview by author, San Salvador, July 17, 2014.

\textsuperscript{44} De Rosa, \textit{30 años trabajando por El Salvador}, 113.
### Figure 5

*ARENA’s Power-Sharing Institutions*

<table>
<thead>
<tr>
<th>Resource</th>
<th>Institution</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Presidential Nomination</td>
<td>Pre-Assembly</td>
<td>Consensus candidate is selected by core constituencies before each nominating assembly.</td>
</tr>
<tr>
<td>Vice Presidential Nomination</td>
<td>Split Tickets Rule</td>
<td>The vice presidential candidate may not be selected from the same core constituency as the presidential candidate.</td>
</tr>
<tr>
<td>Legislative Candidate Selection</td>
<td>List Committee</td>
<td>Candidates lists are determined by the National Executive Committee (COENA) and representatives of each core constituency.</td>
</tr>
<tr>
<td>Party Presidency</td>
<td>Double Presidency Ban</td>
<td>The president of the country may not serve as the president of the party concurrently.</td>
</tr>
<tr>
<td>Party Funds</td>
<td>G-20</td>
<td>Funds are raised and managed by a small committee of core constituents.</td>
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</tbody>
</table>
In practice, however, this parchment rule was no more than a formality. In the months leading up to each nominating assembly, the sitting president (or, in his absence, the party president) was expected to lead negotiations with representatives of the two core constituencies in order to find and select a presidential candidate who was acceptable to both sides. A former president who participated in three of these “pre-assemblies” between 1989 and 1999 described the process as follows:

We spent many weeks working together. And we would go through each possible name one by one discussing their strengths and their weaknesses. The most difficult thing was not finding a candidate that could win, but finding a candidate that could win and that the two main groups at the negotiation table felt would represent their interests….The [oligarchs] were always skeptical of anyone who seemed too “business-like,” but [the capitalists] were always afraid of anyone who did not represent their business interests. And all of us, generally, were reluctant to select any names from outside the group….But we knew that selecting someone before the general assembly was in our best interest in order to ensure a good outcome and avoid an unpredictable mess at the assembly, so we always found a common candidate in the end…It would always be

45 Member of the inaugural COENA, Interview by author, San Salvador, June 11, 2014.
a little bit more on the business side…or a little bit more on the ‘traditional’ side…but at the end of the day someone who was acceptable to both groups.46

By the time nominating assemblies were convened, then, there was invariably “only one pre-chosen candidate ready to be crowned.”47 Far from selecting ARENA’s presidential candidate, therefore, assembly delegates simply legitimized a decision made weeks in advance by the core constituents. The core constituencies, through a careful negotiation process, selected candidates who were mutually acceptable to both the bourgeoisie and the oligarchy.

This pre-assembly nomination first took place in 1983, when, a year prior to the 1984 presidential election, D’Aubuisson held a private meeting with representatives of the two core constituencies. At the meeting, D’Aubuisson expressed his desire to “represent the party as its candidate,” but clarified that he “wanted the support and trust” of the party’s core constituents beforehand.48 D’Aubuisson, a popular unifying figure, gained the approval of the core constituents easily and became the party’s official nominee in March, 1984.49 The pre-assembly mechanism was consolidated in 1988, when D’Aubuisson convened a series of similar meetings to nominate a presidential candidate for the 1989

46 Interview by author, San Salvador, August 12, 2014.

47 Former COENA member, Interview by author, San Salvador, June 11, 2014.

48 ARENA member present at meeting, Interview by author, San Salvador, August 12, 2014.

49 De Rosa, 30 años trabajando por El Salvador, 25.
election. After “weeks of deliberation,” businessman Alfredo Cristiani, a moderate who was well-regarded by capitalists and oligarchs alike, emerged as the nominee.

These “pre-assemblies” were an exceptionally exclusive process. “Though we asked for advice from many people in the party,” explained a former participant and member of the COENA, “it was…ultimately twelve or fifteen of us who made the decision.” That small group was comprised exclusively of sitting and former presidents, the president of the COENA, and historical representatives of each of the two core constituencies.

Similarly, this presidential candidate selection process was strictly enforced. Though presidential hopefuls could maneuver strategically to improve their chances, the power of the pre-assemblies to make the ultimate decision was rarely challenged. Indeed, the pre-assemblies selected every single candidate during the long period of cohesion: in no electoral cycle between 1980 and 2004 was more than one presidential contender introduced at the general assembly. The occasional candidate who attempted to circumvent the pre-assembly was “quickly discouraged” and “delegitimized.”

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50 Participant in the pre-assembly, Interview by author, San Salvador, June 3, 2014.
51 Ibid.
52 Former member of the COENA, Interview by author, San Salvador, August 12, 2014.
53 Ibid.
54 Former ARENA President, Interview by author, San Salvador, June 3, 2014.
was twice considered for the nomination told me: “It was impossible to break the rules. The only way to become the candidate was to be selected by the ‘heavy-weights.’ You couldn’t even try otherwise. Their resources and their support were too important…. You couldn’t compete with anyone who had that.”

2.3.2 Vice Presidential Candidate Selection: The Split Tickets Rule

Once nominated, presidential candidates were responsible for selecting the vice presidential nominee. They were, however, restrained by one important limitation: presidential candidates were expected to select their vice presidential running mate from among the opposing core constituency. In other words, presidential candidates who were affiliated primarily to the oligarchs were expected to select a running mate from among the capitalists, and vice versa. The “split-tickets rule” was meant to ensure that “all of the key elements of the party” (i.e. the two core constituencies) were represented in the executive branch.57

The rule originated in the 1988-89 election season, when, during the pre-assembly that resulted in the nomination of capitalist Alfredo Cristiani, D’Aubuisson appeased the concerns of the oligarchy by asking Cristiani to commit to the selection of a running mate who was “closer to the more traditional

56 Ibid.

57 Member of the COENA, Interview by author, San Salvador, July 25, 2014.
sectors of the party [i.e. the oligarchy].” Cristiani complied, selecting as his running mate Usulután native José Francisco Merino Lopez.

As Figure 6 below shows, the split-tickets rule was then enforced throughout the cohesion period: all three presidential tickets between 1989 and 1999 were evenly split between the two core constituencies. Though presidential candidates were also receptive to the strategic benefits of creating a diverse ticket, these outcomes were principally the result of a well-understood rule. “I understood the expectation,” told me a former president, “and I knew that it would be too expensive to break the rules.”

A top aide to former President Francisco Flores recalled that Flores “disagreed with the tradition” and would “never achieve a good working relationship” with Vice President Carlos Quintanilla, but “understood the need to respect the established process.”

**FIGURE 6**

*Figure 3.2: The Split Tickets Rule, 1989 - 2004*

<table>
<thead>
<tr>
<th>Presidential Term</th>
<th>Capitalist Representative</th>
<th>Oligarchy Representative</th>
</tr>
</thead>
<tbody>
<tr>
<td>1989 - 1994</td>
<td>Alfredo Cristiani</td>
<td>Jose Francisco Merino</td>
</tr>
<tr>
<td></td>
<td>(President)</td>
<td>(Vice President)</td>
</tr>
<tr>
<td>1994 - 1999</td>
<td>Enrique Borgo</td>
<td>Armando Calderón Sol</td>
</tr>
<tr>
<td></td>
<td>(Vice President)</td>
<td>(President)</td>
</tr>
<tr>
<td>1999 - 2004</td>
<td>Francisco Flores</td>
<td>Carlos Quintanilla</td>
</tr>
<tr>
<td></td>
<td>(President)</td>
<td>(Vice President)</td>
</tr>
</tbody>
</table>

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58 Former ARENA President, Interview by author, San Salvador, June 3, 2014.


60 Interview by author, San Salvador, August 13, 2014.
The split tickets rule was as exclusive as it was well-enforced: it limited the pool of possible candidates to members (or trustworthy representatives) of a core constituency, it relegated the concerns of electoral constituencies to a secondary role, and it empowered the president—who was himself an affiliate of a core constituency—to make the ultimate selection.

2.3.3 Legislative Candidate Selection: The List Committees

A third key power-sharing institution regulated competition for candidacies to the Legislative Assembly. In addition to their lawmaking duties, ARENA legislators also served as the party’s regional leaders. As a result, competition for nominations was often highly contested.61

Since ARENA’s first legislative contest in 1982, candidate lists were drawn up and finalized by a “list committee” comprised of the party’s Executive National Committee (Comité Ejecutivo Nacional, or COENA), representatives of the core constituencies, and, between 1989 and 2004, the incumbent president. The committee received suggestions from various sectors of the party and direct appeals from potential candidates, but its members made all final decisions about the nominees and the order in which their names would appear on the party list. As with presidential nominees, these lists were ceremoniously introduced and “ratified” during General Assemblies. The result of this exclusive candidate selection process—which, in practice, amounted to a negotiation between the two

61 Former ARENA legislator, Interview by author, San Salvador, August 1, 2014.
core constituencies similar to the pre-assemblies—was that both oligarchs and capitalists were evenly represented in ARENA’s legislative caucus.62

Though core constituencies clearly benefitted from the list committees, the institution originally emerged out of necessity: ARENA faced a legislative election only five months after it was officially established, and the COENA (led by D’Aubuisson) felt that a decentralized and deliberative process of candidate selection would undermine the party’s electoral performance.63 The list committees, however, soon deeply entrenched and highly enforced: between 1982 and 2004, every ARENA legislative candidate was selected by the committees.

2.3.4 Appointing Party Presidents: The Double Presidency Ban

A fourth power-sharing institution regulated competition for membership to the COENA, and particularly for its presidency—effectively the presidency of the party as a whole: the “double presidency ban” prohibited any individual from serving as president of the country and president of the COENA concurrently. “The idea was for the party to serve as a counterweight to the government,” explained a long-time ARENA advisor.64

The ban had its origins during ARENA’s first two presidential nomination processes: D’Aubuisson’s nomination in 1984 and Cristiani’s in 1989. When D’Aubuisson was nominated, his decision to remain at the helm of the party was

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62 Former member of the COENA, Interview by author, San Salvador, June 3, 2014.
met with significant internal resistance, as members of both core constituencies privately accused him of “hoarding too much power,” “making too many mistakes due to lack of accountability,” and “turning the party into a personal electoral instrument.”\textsuperscript{65} In 1989, having learned from D’Aubuisson’s defeat five years prior, Cristiani resigned from the COENA upon his nomination.\textsuperscript{66}

The double presidency ban was then strictly enforced, with no exceptions, until 2004. Presidents who contemplated remaining at the helm of the COENA faced compelling deterrents, including public denunciations, legislative non-cooperation, and private votes of no confidence.\textsuperscript{67} Indeed, by the mid-1990s the double presidency ban was so well-established that an incoming president assured his top legal advisor, wrongly, that “seeking to continue serving on the COENA” would be “obviously unconstitutional.”\textsuperscript{68}

As intended, the double presidency ban consistently resulted in a COENA that was independent from the presidency and in which both core constituencies were well-represented. Though less exclusive than other power-sharing institutions, critics of the double presidency ban note that the ban “limited the participation” of non-core constituencies to the extent that “it created even more

\textsuperscript{65} Top official in the D’Aubuisson campaign, Interview by author, San Salvador, July 14, 2014.

\textsuperscript{66} Ibid.

\textsuperscript{67} Former president, Interview by author, San Salvador, June 19, 2014.

\textsuperscript{68} Interview by author, San Salvador, August 24, 2014. There is no constitutional ban on a sitting president serving on the COENA or any other partisan committee.
negotiating” between oligarchs and capitalists, “instead of incentivizing them to look in other sectors of the party for support.”

2.3.5 Party Fundraising and Distribution: The G-20

Finally, a fifth power-sharing institution determined how party funds were raised and distributed. These tasks were entrusted to a committee composed of approximately twenty of the wealthiest representatives of both core constituencies and known popularly as the “G-20.” The representatives were selected based on their “ability to generate resources” and their “loyalty to the party.” Once invited, each member of the G-20 was expected to make a “regular contribution” to the party, and the committee as a whole was considered responsible for raising funds for the party and determining, in broad terms, how those funds were to be used. Though not officially a part of ARENA, the G-20 worked closely with the COENA’s Secretary of Economic Affairs, whose role was primarily to serve as a liaison to the party.

The G-20 was first formed in 1984 when D’Aubuisson, then ARENA’s presidential candidate, asked Guillermo Sol Bang, a landowner with close ties to

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69 ARENA legislators, Interview by author, San Salvador, June 22, 2014.

70 The term G-20 in fact originated in the late 2000s when, post-schism, this institution was reestablished. Here, I use the term as shorthand for the predecessor of the current institution.

71 Member of the G-20, Interview by author, San Salvador, August 2, 2014.

72 Member of the G-20, Interview by author, San Salvador, July 19, 2014.

73 Former member of the COENA, Interview by author, San Salvador, June 29, 2014.
both core constituencies, to spearhead the campaign’s financial operations.\footnote{Member of the first G-20, Interview by author, San Salvador, June 23, 2014.}

Throughout the next two decades, ARENA received income from other sources, but the influence of the G-20 was overwhelming: in the 1999 election cycle, for example, a single member of the committee donated as much money as “several hundred small and medium business owners.”\footnote{Flores campaign strategist, Interview by author, San Salvador, August 25, 2014.} Any ARENA candidate who attempted to circumvent the G-20 was not only severely handicapped but also

\begin{table}[h]
\centering
\caption{Reported Members of the G-20}
\begin{tabular}{|l|l|}
\hline
Name & Affiliation \\
\hline
Alejandro Dueñas & Oligarchy \\
Carlos Enrique Araujo & Oligarchy \\
Enrique Altamirano & Bourgeoisie \\
Francisco Calleja & Bourgeoisie \\
Juan Carlos Eserski & Bourgeoisie \\
Juan Federico Salaverria & Bourgeoisie \\
Jorge Zablah & Bourgeoisie \\
Raúl Álvarez Belismelis & Oligarchy \\
Ricardo Poma & Bourgeoisie \\
Ricardo Sagrega & Oligarchy \\
Ricardo Simán & Bourgeoisie \\
Roberto Kríete & Bourgeoisie \\
Roberto Murray Meza & Bourgeoisie \\
Saúl Suster & Bourgeoisie \\
Tomás Regalado Dueñas & Oligarchy \\
\hline
\end{tabular}
\end{table}
quickly disciplined by the party: “For better or for worse, we did not want to put at risk the support of ‘big capital,’” explained a former vice-president of the COENA, “so we tried to ensure that everyone went through the same channels.”  

As a result, the G-20’s authority to raise and distribute party funds was highly enforced throughout the cohesion period.

In practice, the G-20 consisted of the senior leaders of the two core constituencies (or their closest business associates, who were usually close relatives). This was, in part, because few individuals outside of the two core constituencies had an “ability to generate resources” on par with the committee’s expectations. But because “loyalty” was an equally important prerequisite for G-20 membership, its members also selectively excluded potential donors who were seen as “untrustworthy” or “outsiders.”  

As a result, the G-20 was an extremely exclusive institution: Figure 7 above lists the individuals whose membership in the committee has been confirmed by the Salvadoran media. Each of the individuals on the list is closely affiliated with one of the two core constituencies.

2.3.6 A Note on Institutional Informality

A striking characteristic of all of the institutions outlined above is that they were informal. That is, they were communicated and enforced through unofficial

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76 Former member of the COENA, Interview by author, San Salvador, June 13, 2014.
77 Member of the first G-20, Interview by author, San Salvador, June 23, 2014.
78 Names were compiled based on Gabriel Labrador, “¿Quién salvó la candidatura de Norman Quijano?, El Faro, July 8, 2013.
instead of official channels\textsuperscript{79}: none of the power-sharing institutions appeared on ARENA’s constitution, statutes, or by-laws, and several of them actually replaced the “parchment” rules contained in these official documents.\textsuperscript{80}

In the Conclusion to this thesis, I hypothesize that this informality was yet another result of the interaction between violent conflict and small, homogenous elite constituencies during ARENA’s formative period. For the particular argument advanced in this chapter, however, a different question must be asked: given the absence of formal communication and enforcement, were these power-sharing institutions truly understood and recognized by the actors whose behavior they sought to regulate? Though empirical evidence suggests that the procedures described above accurately describe how competition took place in ARENA, they

\begin{table}
\centering
\caption{Knowledge of Institutions Among Interviewees}
\begin{tabular}{lcc}
\hline
 & Core Constituents (Out of 12) & Candidates (Out of 10) \\
\hline
Pre-Assemblies & 12 & 9 \\
Split Tickets Rule & 11 & 8 \\
List Committees & 12 & 10 \\
Double Presidency Ban & 12 & 10 \\
G20 & 12 & 10 \\
\hline
Average & 11.8 & 9.4 \\
\hline
\end{tabular}
\end{table}


\textsuperscript{80} This is certainly not the case for all parties. See, for example, Levitsky’s analysis of the Argentina Peronist party’s organization in Levitsky, \textit{Transforming Labor-Based Parties}.

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cannot be considered institutions unless actors both understood them and formed expectations around them.

Interview data strongly suggests that both core constituents and party elites (including candidates and pre-candidates) were well aware of ARENA’s informal power-sharing institutional framework. On average, as Figure 8 shows, each power-sharing institution was described, unprompted, by 11.8 of the 12 core constituents interviewed and by 9.4 out of the 10 candidates interviewed. Though this is far from a conclusive statistical test, it does suggest that knowledge of power-sharing institutions among core constituents and party elites was near-universal.

**Conclusion**

In conclusion, by 1989 ARENA had adopted a well-understood and widely-accepted network of power-sharing institutions. Together, the five power-sharing institutions outlined in this chapter structured and regulated internal competition for five highly contested resources: presidential nominations, vice-presidential nominations, legislative candidacies, party funds, and the party presidency.

As a result of a the small, homogenous nature of the Salvadoran upper strata and of the violent environment of the 1980s, each of these institutions was exclusive and highly enforced. The violent conflict favored exclusiveness by raising fears of institutional capture, while the small and relatively homogenous
nature of core constituents facilitated exclusion criteria and resulted in dense
social networks through which institutions could be easily and effectively
enforced.
Chapter 3
“Granitic Unity”:
Cohesion in ARENA, 1989-2004

Having identified and traced the origins of ARENA’s key power-sharing institutions, this chapter explores the party’s long period of cohesion between 1989 and 2004. As predicted by the theory, the evidence examined in this chapter suggests that power-sharing institutions were the key drivers of ARENA’s “granitic unity.”

I have divided the years between 1989 and 2004 into three sub-periods, each corresponding to a presidential term: the Alfredo Cristiani Presidency (1989-1994), the Armando Calderón Sol Presidency (1994-1999), and the Francisco Flores Presidency (1999-2004). This sub-periodization allows each presidential term to be treated as an individual case, and I show that despite significant changes in environmental variables across time, power-sharing institutions led to high cohesion outcomes in all three cases.

In the interest of space, I will limit my analysis of each sub-period to two arenas of competition were schisms are likely to originate: candidate selection and policymaking. More specifically, in each sub-period I will examine the selection of the presidential candidate and the approval of one internally polarizing policy. In doing so, my objective is to demonstrate that power-sharing institutions enabled ARENA to manage intraparty conflict effectively, preserve cohesion, and avoid schisms even at particularly critical points of contention.

On March 19, 1989, Alfredo Cristiani, a US-educated legislator and businessman closely associated with the bourgeoisie, became the first member of ARENA to be elected president. Cristiani’s tenure at the helm of ARENA and the Salvadoran government was characterized by a series of environmental factors that would distinguish it from successive presidencies: the civil war entered its tenth year, the left lacked any significant partisan representation, the economy continued to contract as a result of the war, and El Salvador experienced a transition between two democratically elected governments for the first time.

Power-sharing institutions were crucial in generating cohesion within ARENA during this period. Two particularly contentious issues help elucidate the cohesion-building effects of power-sharing institutions: the selection of Cristiani as ARENA’s presidential candidate and the Cristiani government’s decision to enter peace negotiations with the FMLN.

3.1.1 Candidate Selection

In the build-up to the 1989 presidential election, ARENA’s candidate selection process was particularly contentious. Roberto D’Aubuisson, following

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1 De Rosa, 30 años trabajando por El Salvador, 91.

2 The largest left-wing political party to participate in the 1989 election, Democratic Convergence (Convergencia Democrática, or CD), was led by former FMLN ally Guillermo Ungo but obtained only 3.8% of the vote. During the government of José Napoleón Duarte (1984-89), the Christian Democrats (who obtained 36.5% of the vote) had veered towards the political center. See De Rosa, 30 años trabajando por El Salvador, 83-91.

his defeat in the 1984 election, had announced that he would not seek the nomination for a second time. As a result, ARENA lacked a consensus candidate who could easily unify the two core constituencies.\textsuperscript{4} Moreover, the 1989 election was seen as crucial test for the party: “We had been in an upward trajectory for eight years,” explained member of the original COENA, “and there was a feeling that if we could not win in 1989, we could not win at all.”\textsuperscript{5} As a result of these high stakes, both core constituencies appeared less willing to make concessions.\textsuperscript{6} Moreover, the balance of power within the core coalition still favored the oligarchy, but the bourgeoisie was generally thought to be more “electorally viable.”\textsuperscript{7} This created an important tension within ARENA that, as I will show, influenced the selection of presidential candidates for years to come. “It was a critical moment,” recalled a member of the bourgeoisie, “and it was unclear whether the party would be able to arrive at the elections as one.”\textsuperscript{8}

Throughout the presidential nomination process, then, cohesion-building role of power-sharing institutions was crucial. Consider, first, the pre-assemblies. Cristiani was selected after several rounds of negotiations between representatives of the oligarchy and the bourgeoisie. A close aide of D’Aubuisson, who served as mediator, recalls the negotiations as follows:

\begin{footnotesize}
\footnotesubscript{4} De Rosa, \textit{30 años trabajando por El Salvador}, 89-90.
\footnotesubscript{5} Former ARENA Legislator, Interview by the author, San Salvador, August 19, 2014.
\footnotesubscript{6} Former Member of the COENA, Interview by the author, San Salvador, August 3, 2014.
\footnotesubscript{7} Ibid.
\footnotesubscript{8} Interview by the author, San Salvador, June 22, 2014.
\end{footnotesize}
There were about twenty leaders at the meetings, and several others like me, just listening and taking notes....Finding a candidate who could please both groups was an arduous and difficult operation. It took us weeks....At the beginning, each [core constituency] had their list of possible candidates, but they were all names that...concerned the opposite party....We examined the names one by one, and each would provoke an intense debate....Several times someone would threaten to give up and promote a candidate from outside of the party.9

Despite being the “arduous” process, the pre-assembly eventually allowed both core constituencies to settle on a mutually acceptable candidate. Though closely associated with the bourgeoisie due to his business activities, Cristiani’s roots could be traced back to the countryside—his ancestors had been large landowners and prominent members of the oligarchy.10 Additionally, Cristiani’s reputation as a moderate, consensus-building legislator and businessman assured oligarchs that their interests would not be ignored.11 The pre-assembly, in short, allowed ARENA’s core constituents to reach a mutually acceptable resolution to the highly contentious process of presidential candidate selection.

9 Interview by the author, San Salvador, July 17, 2014.

10 Maldonado and Sandoval, Historia de los Presidentes de El Salvador, 41.

The pre-assembly had two additional effects that allowed ARENA to emerge from the candidate selection process as a unified party. First, by excluding the party base and the electorate from the nomination process, the pre-assembly conferred upon negotiators the autonomy necessary to recruit and select a candidate who was, above all else, mutually acceptable to both core constituencies. “It would have been impossible to find a unifying candidate otherwise,” recalled a long-term ARENA strategist. “It was difficult enough to find one name that could please the [core constituencies]….can you imagine trying to find someone who could please the [core constituencies] and everyone else?” 12 Second, the pre-assembly contained competition for the nomination and ensured that other aspects of the party could function regularly during the negotiation process. For example, an ARENA founder who was serving a term in the legislature in 1988 recalled that “[us legislators] knew nothing about what was happening with Cristiani….we proceeded as usual, though we did await the announcement with anxiety!” 13

Besides the pre-assembly, the double-presidency ban and the split-tickets rule helped ARENA avoid schism by reducing the “winner-takes-all” nature of the presidential nomination. A member of the oligarchy who participated in the pre-assembly recalled that:

12 Interview by the author, San Salvador, July 6, 2014.

13 Interview by the author, San Salvador, June 18, 2014.
One crucial factor during that entire [candidate selection] process was that even though the presidency was important, we knew that it was not everything. Even though Freddy [Cristiani] won the nomination, and some of our own were unhappy with the result, we knew that Freddy was going to acknowledge that in his selection of the vice [president]. We also knew that we would have the ability to participate through our presence in the COENA. And that was, in fact, the case.14

Similarly, member of the bourgeoisie who participated in the candidate selection process suggested that the the double-presidency ban and the split-tickets rule were used explicitly as bargaining chips to make the selection of a capitalist more palatable to the oligarchy:

In the end we knew that Cristiani was the best option but many members of the [oligarchy] were still not realizing it. They continued to push for one of theirs. In the end, Roberto [D’Aubuisson], in a final effort, asked Freddy [Cristiani] to reassure [oligarchy leaders] that he would select Francisco [Merino] as his vice-president and that he would allow [oligarchy

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14 Interview by the author, San Salvador, August 14, 2014.
affiliate] Armando [Calderón Sol] to stay as president of the COENA.15

The exclusive nature of ARENA’s power-sharing institutions was crucial in facilitating this process, as oligarchs could be “certain” that they would be represented in both the COENA and the bottom of the presidential ticket.

In sum, by dividing competition for executive power (broadly defined to include the vice-presidency and the party presidency) into several fronts, ARENA’s power-sharing institutions transformed what is traditionally a zero-sum contest (i.e. presidential candidate selection) into a broader process from which both core constituencies could benefit.

Finally, power-sharing institutions allowed ARENA to retain the loyalty of those core constituents who remained unconvinced by Cristiani’s election and the balancing effect of the COENA presidency and the vice-presidential nomination. The existence of well-established and understood rules of the game provided a procedural—as opposed to distributional—standard for legitimacy. An ARENA legislator who was closely affiliated with the oligarchy and opposed Cristiani’s nomination recalled:

I think no one liked Cristiani’s nomination less than I did. He had a reputation for being a moderate, but many of us knew that he would be the president of the [bourgeoisie]….That being said, we never thought seriously of opposing him…because we understood

that he had been chosen in accordance with the agreed upon process….It wasn’t the result I wanted, but it was a result I was obliged to respect in the end.¹⁶

This view suggests that, ultimately, Cristiani’s nomination was judged on a procedural basis: though members of the party could criticize the power-distributional effects of Cristiani’s nomination, few could argue that Cristiani had not been selected “in accordance with the agreed upon process.”

In conclusion, then, ARENA’s power-sharing institutional framework enabled the party to retain its cohesion and avoid a schism during the highly contentious 1988-89 presidential nomination process. The pre-assembly allowed the two core constituencies to negotiate an outcome that was minimally acceptable to both actors, simplified the nomination process by excluding other constituencies, and prevented any intraparty conflict generated by the nomination process from destabilizing other branches of the party. The double-presidency ban and the split-tickets rule generated cohesion by reducing the potential “winner-takes-all” nature of unregulated presidential nomination processes. And, as a whole, this institutional framework legitimized Cristiani’s nomination despite the power-distributional implications it would entail.

¹⁶ Interview by the author, San Salvador, July 26, 2014.
3.1.2 Policymaking

During the Cristiani presidency, power-sharing institutions also enabled ARENA to address several internally controversial policy issues without forfeiting party unity. Among the most polarizing policies was Cristiani’s decision, in 1989, to initiate negotiations with the FMLN in an effort to end the decade-long civil war. Cristiani’s announcement, delivered during his inauguration on June 1, 1989, “surprised” many members of the party:

“We are willing to work, beginning on the first day of our government, on the search for peace…by promoting a permanent dialogue…between the democratic sector and the FMLN. We, as a party and now as a government, have been participating in the democratic process…precisely in order to achieve peace.”

Cristiani’s speech understated the profound differences between ARENA’s two core constituencies with respect to the dialogue. The oligarchy in general was strongly opposed to the possibility of offering any significant concessions to the FMLN. In particular, it rejected the provision of material incentives—land and pensions—for guerrilleros to abandon their weapons. Most importantly, however, the oligarchy was categorically opposed to a peace treaty that could result in the prosecution of any members of the Salvadoran military. Tellingly, several

17 Oligarch, Interview by the author, San Salvador, August 14, 2014.
18 Inaugural speech, San Salvador, June 1, 1989.
19 Negroponte, Seeking Peace in El Salvador, 47-60.
prominent oligarchs would privately express their opposition to any kind of negotiation with the FMLN. In contrast, the bourgeoisie’s primary objective was to achieve peace. In general, capitalists supported Cristiani’s proposal to negotiate with the FMLN, they perceived the transformation of the FMLN into a legitimate democratic actor as “inevitable”, and they did not seek to protect members of the armed forces from prosecution.

Privately, Cristiani would acknowledge that these internal differences had the potential to cause a “serious split” within the party:

Navigating the different positions within the party was almost as difficult as negotiating with the guerrillas. There were divisions about everything. Do we negotiate? What do we offer? What do we demand? How do we enforce any agreements? What do we do about prosecution?…[Cristiani’s] greatest fear was that these issues would create a serious split within the party.

Contrary to these concerns, however, the peace process resulted in a treaty—the Chapultepec Peace Accords—that was celebrated and embraced by both core constituencies upon its adoption on January 16, 1992. How was ARENA able to

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20 Oligarch, Interview by the author, San Salvador, July 16.
21 Negroponte, Seeking Peace in El Salvador, 47-60.
22 Interview by the author, San Salvador, July 24, 2014.
23 De Rosa, 30 años trabajando para El Salvador, 53.
navigate the peace process without undermining its own cohesion? Much of the answer lies in ARENA’s five power-sharing institutions.

First, the pre-assembly mechanism through which Cristiani was elected had two important repercussions. On one hand, it resulted in the election of genuine moderate who was relatively loyal to both core constituencies and had a reputation for creating consensus:

Maybe [Cristiani’s] not so bright in creating ideas, but he has the patience of hearing. When other people have ideas, he takes them, uses them, turns them and melds them into a coherent whole that's better than any of the originals. He's a natural….He always worked on consensus and in the crunch always seemed the one with the best decision. He was always very active, but he always seemed very calm.24

This centrism allowed Cristiani to understand clearly the concerns of both core constituencies and to construct a productive common ground. “It was easy for Freddy [Cristiani] to always have in mind the different opinions within the party,” recalled a member of the government’s delegation to the negotiations, “because he himself was truly torn on some of the issues.”25 A member of the oligarchy who expressed early concerns about Cristiani ultimately reached a similar conclusion:


When he was chosen, I hoped that Cristiani would understand our position with respect to the dialogue. He did not disappoint us….I think it was ultimately Cristiani’s transparency and efforts to discuss everything with us….that enabled the party to unify behind the Chapultepec Accords….I am not sure if we had anyone else in the party back then who could do that in that way, especially because the Major [D’Aubuisson] was already sick.26

Indeed, Cristiani would work with his party to craft a treaty that satisfied both core constituencies: the final accords ensured peace, protected members of the armed forces from prosecution while empowering the president to discharge any officers due to their involvement in the war, created a path for the FMLN to become a formal political party, and offered combatants on both sides of the conflict only limited material incentives to disarm.27 In short, the pre-assembly enabled ARENA to manage the controversial peace negotiations successfully by facilitating in the election of a candidate whose views and governance style were at least minimally acceptable to both core constituencies.

The pre-assembly also had a second important cohesion-building effect on the party during this time: it granted Cristiani—and his decisions—significant legitimacy. A source familiar with Cristiani’s thinking at the time recalled that:


27 Negroponte, Seeking Peace in El Salvador, 131-144,
One of the things that gave [us] certainty was knowing that the key sectors of the party had supported [Cristani’s] nomination. In fact, in several occasions when things got difficult [Cristiani] reminded them that they had deposited their trust in me.28

“What were we going to do?” reminisced a prominent leader of the oligarchy. “Cristiani was our legitimate leader and we ourselves had chosen him….Out of respect for the ‘institutionality’ of the party we had to accept his actions in the end.”29 In other words, power-sharing institutions provided a process-based criteria upon which party leaders evaluated Cristiani’s actions, and this compelled them to accept negotiation outcomes regardless of individual preferences.

The G-20—the committee tasked with centralizing and distributing party funds—also had an important role in limiting the impact of the peace negotiations on party cohesion. By controlling access to campaign funds, the G-20 was able to exercise significant influence on the commitments and policy positions adopted by ARENA’s presidential candidates. Cristiani was no exception. A high-ranking campaign aide recalled:

Our ability to determine the message of the campaign was always limited by what was acceptable to the [G-20]. In many occasions

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28 Interview by the author, San Salvador, July 24, 2014.

29 Interview by the author, San Salvador, August 3, 2014.
the campaign and the financiers had important disagreements, and most of the time we had to moderate our stance.30

The possibility of establishing a dialogue with the FMLN was among the issues on which the G-20 forced Cristiani to the center. In fact, though Cristiani campaigned on the platform of ending the war, he did not announce his intention to negotiate with the guerrillas until inauguration day. The same aide explained:

The war was one of the issues that divided the financiers. The more traditional sector was opposed to the party or Cristiani negotiating a political solution, while the business sector supported the dialogue….Ultimately they were unable to agree, and they asked Cristiani not to make any promises during the campaign.31

Once in power, this decision would ultimately allow Cristiani the flexibility necessary to generate consensus within the party:

During the campaign this was the most frustrating thing. But in the end it turned out to be a blessing. If we had used the dialogue as an electoral tool, I think Cristiani would have had to make many public commitments that could have polarized the party and damaged his ability to achieve a consensus later on.32

30 Interview by the author, San Salvador, June 3, 2014.
31 Ibid.
32 Ibid.
The G-20, in short, served to counterbalance the campaign and ensure that, in the long-run, ARENA’s core constituents could find a mutually acceptable solution to end the civil war.

As with candidate selection, the split-tickets rule and the double-presidency ban helped protect party cohesion during the negotiations by ensuring that both core constituencies were represented during the process. The COENA (presided by oligarch standard-bearer Armando Calderón Sol) and the Vice-Presidency (occupied by Francisco Merino) were both led by the oligarchy and incorporated constantly into the negotiation process.33 A member of the government’s delegation to the negotiations recalled that:

To make sure our plan had support, the President asked us to incorporate [Vice President Francisco] Merino’s team as well as the leaders of the COENA into our strategic planning sessions….They often raised concerns about certain points of negotiation, and we always took them very seriously.34

This process ensured both that the outcome of the negotiations would be mutually acceptable to the two core constituencies and that its legitimacy would not be challenged. As a leader of the COENA concluded:

33 De Rosa, 30 años de trabajo por El Salvador, 51-54.

34 Interview by the author, San Salvador, June 27.
Freddy [Cristiani]’s decision to incorporate Merino and especially the COENA into the government strategy was critical…But the important thing was that [both core constituencies] were represented in those two actors.35

Finally, the list committees through which legislative candidates were recruited and selected also had a critical (if less direct) role in fostering cohesion throughout the negotiations. In 1990 ARENA had to select its candidates for legislative elections to be held the following year. The list committees allowed the party to ensure that the ongoing peace negotiations did not become “instrumentalized” by politicians vying for a nomination:

We were afraid that the upcoming elections would motivate some of the dissident voices within the party to “instrumentalize” the peace process and use it to gather support for their candidacies….We wanted to stay in control on the peace process and how it was addressed within the party….We didn’t want the election to worsen differences in opinion within the party.36


36 Capitalist and member of the COENA, Interview by the author, San Salvador, June 13, 2014.
These fears were assuaged by the list committees’ control over the candidate selection process. A member of the COENA who participated in the candidate selection process recalled:

> We made it very clear to the possible candidates that they would not benefit from criticizing the government and especially the peace process….In fact, there were one or two possible candidates…who we eliminated from the list because…they tried to criticize the peace process to gain an advantage.\(^{37}\)

Thus, the presence of a well-defined institution through which candidate selection took place contained the impact of competition for nominations on the peace process and avoided a the “worsening of differences in opinion within the party” that many members of the Cristiani government feared.

In conclusion, power-sharing institutions were critical sources of party cohesion during the internally divisive peace negotiations undertaken by the Cristiani government. The pre-assembly led to the selection of a moderate, conciliatory president and helped legitimize the outcomes of the negotiations he led. During the campaign, the G-20 compelled Cristiani to refrain from making commitments about the peace process that could prove divisive in the years to come. During the course of the negotiations, the split-tickets rule and the double-presidency contributed to a mutually acceptable outcome by ensuring that the

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\(^{37}\) Interview by the author, San Salvador, July 5, 2014.
views of both core constituencies were represented. Finally, the list committees contained competition for legislative candidacies and prevented the process from becoming a wedge issue in the nomination process.


ARENA’s second presidency began on June 1, 1994, with the inauguration of Armando Calderón Sol, an oligarchy standard-bearer who had, until then, served as President of the COENA and Mayor of San Salvador. Calderón Sol’s inherited a unique political scenario shaped by the end of the civil war in 1992. First, the FMLN had demobilized and, though it quickly became an electorally significant political party, profound internal divisions limited its ability to act as an effective opposition. As a result, concerns of a redistributionist threat among ARENA constituents, though still significant, were less immediate than at any point since the beginning of the civil war. Second, attention quickly shifted to economic policy. Though economic growth had returned with the end of the war, ARENA’s core constituencies remained divided over an internal debate with respect to the party’s proposed model of economic growth. Third, during the Cristiani presidency, the internal balance of power within the party had shifted in favor of the bourgeoisie, whose collective wealth and popularity now prevailed over the oligarchy’s. This created “important tensions” within the party as the

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38 Maldonado and Sandoval, Historia de los Presidentes de El Salvador, 43.
39 De Rosa, 30 años trabajando por El Salvador, 60.
40 Segovia, Transformación estructural, 88.
oligarchy sought to retain its influence over ARENA.\textsuperscript{41} Finally—and perhaps most importantly—Roberto D’Aubuisson had passed away in 1992. As a result, during Calderón Sol’s presidency ARENA would navigate internal competition without a unifying founding figure for the first time.\textsuperscript{42}

In this context, several ARENA leaders and strategists doubted the party’s ability to avoid internal instability and schism. “I couldn’t envision a way out of the next few years without some members of ARENA threatening to abandon the party,” recalled a long-term ARENA strategist. “I remember talking to Armando [Calderón Sol] about it. He seemed as nervous as I was.”\textsuperscript{43}

Despite these fears, however, power-sharing institutions would once again enable ARENA to navigate a series of contentious issues without undermining its own cohesion or suffering any schisms. The presidential nomination process and the approval of a highly controversial tax reform in 1995 are particularly illustrative of the cohesion-building effects of power-sharing institutions during the Calderón Sol presidency.

3.2.1 Candidate Selection

In the 1994-95 electoral cycle, ARENA’s presidential candidate selection process would, once again, be highly contested. On one hand, after Cristiani’s five years in power and a marked decline in their wealth vis-à-vis the bourgeoisie, the

\textsuperscript{41} Member of the COENA, Interview by the author, San Salvador, August 14, 2014.

\textsuperscript{42} De Rosa, 30 años trabajando por El Salvador, 54.

\textsuperscript{43} Interview by the author, San Salvador, July 6, 2014.
oligarchy was “on the defensive” and determined to “have [their] turn at the head of the government and the party.” On the other hand, the bourgeoisie posited that Cristiani’s success in ending the war and their increasing economic strength vis-à-vis the oligarchy entitled them to a “second opportunity to lead the country.” To compound these challenges, the death of D’Aubuisson—who many core constituents considered an indispensable mediator of the previous presidential nomination process—had left a “tremendous hole” in the party.

Once again, however, power-sharing institutions enabled ARENA to emerge from this period of internal competition as a unified party. Consider, first the pre-assembly. A member of the COENA recalls the process as follows:

At the beginning more or less twenty of us began meeting to find a candidate in time for the General Assembly….During the first weeks, we considered two names: [prominent businessman] Ricardo Poma and [incumbent vice-president] Francisco Merino. But it was impossible to come to an agreement! The [oligarchy] would not accept another businessman after five years of Cristiani…and the [bourgeoisie] was disenchanted with [Merino] after he had been slow to support Cristiani’s policies.

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44 Former member of the COENA, Interview by the author, San Salvador, August 3, 2014.

45 Ibid.

46 Oligarch, Interview by the author, San Salvador, August 14, 2014.

“The idea of both candidates campaigning for the General Assembly was unthinkable,” reflected another prominent capitalist who participated in the discussions. Both candidates would have the ability to mobilize different sectors of the party, and the result could be an “endless” period of “division.” The pre-assembly, in the end, facilitated a less destabilizing alternative:

In the end, we arrived at an option that should have been obvious from the beginning…Armando [Calderón Sol] was extremely popular and trusted by [both core constituencies] because he had been with the party since the very beginning and because he had shown a great ability to unify ARENA as the president of the party…When Armando finally proposed his own name, the [two core constituencies] lined up behind him quickly.

The pre-assembly, therefore, enabled ARENA to select a presidential candidate who was minimally acceptable to both core constituencies and to avoid the polarizing prospect of a contested General Assembly.

As during Cristiani’s nomination five years prior, the exclusive pre-assemblies also facilitated Calderón Sol’s nomination by allowing the core

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48 Interview by the author, San Salvador, August 1, 2014.
49 Ibid.
50 Ibid.
constituencies to negotiate independently from the preferences of the party base or other constituencies. A close Calderón Sol aide remembers that:

Back then, because the war was ending, a lot of different groups and individuals started to approach the party. This was, for example, when Saca first joined the party, even though he would be inactive for a long time after that…It was already so difficult for the [core constituencies] to settle on Armando [Calderón Sol] that it would have been a thousand times harder to find a unifying candidate if the negotiation table had been bigger.\textsuperscript{51}

By excluding non-core constituencies from the nomination process, then, the exclusive nature of ARENA’s power-sharing institutions enhanced the party’s ability to avoid schisms during the nomination process by increasing the likelihood that a single candidate could satisfy all of the actors involved.

Moreover, however, the exclusive pre-assembly process ensured that oligarchs could retain their leading role in the process regardless of their declining economic influence:

An interesting dynamic during this time was that the fifteen or twenty people involved in the process were more or less the same fifteen or twenty people who were involved in selection Cristiani in 1988 or 1989… I say this is interesting because the [oligarchy

\textsuperscript{51} Interview by the author, San Salvador, July 6, 2014.
and the bourgeoisie] were still more or less evenly represented even though by this time [the oligarchy’s relative wealth had begun to decline].

This relative overrepresentation of the oligarchs—a result of the power-sharing institution’s imperviousness to environmental change—deterred the bourgeoisie from promoting outcomes that were unacceptable to the oligarchy. “It is true that in economic terms we were not all that we used to be,” concluded a prominent landowner and maquilero. “Our negotiation chips at that point were more political than anything else.”

Two other power-sharing institutions also facilitated the process of selecting a mutually acceptable presidential candidate: the double-presidency ban and the split-tickets rule. As the oligarchs had in 1989, the bourgeoisie “took for granted” that the vice-presidential nomination would fall upon one of their own:

There was an understanding that if Armando [Calderón Sol] became the candidate, his running mate would be someone more closely associated with the [bourgeoisie]…We began to position a number of potential candidate as soon as the nomination was finalized, including [eventual vice-president] Dr. Borgo.

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54 Prominent capitalist, Interview by the author, San Salvador, August 1, 2014.
55 Ibid.
A member of the COENA and strong proponent of Calderón Sol’s candidacy concurred:

I think that any doubts the [oligarchy] had about Armando [Calderón Sol] on certain issues were discarded by the shared understanding that the vice-president would be someone close to the business sector…What’s more, before his nomination was even agreed upon, Armando had begun to explain to some of his detractors that he intended to nominate Dr. Borgo as the vice-president…I think that made a big difference in the end.56

Before the General Assembly, Calderón Sol would, as expected, select Enrique Borgo—a former CEO of TACA Airlines—as his vice-president. “With Enrique on the presidential ticket,” reflected another prominent businessman, “we knew we would be very well represented.”57 As in 1989, therefore, the split-tickets rule transformed the 1994 nomination into a mutually beneficial process.

The double-presidency ban provided the bourgeoisie with further assurances that their influence over the executive, despite an oligarchic president, would be considerable. A capitalist who would join the COENA following Calderón Sol’s nomination remembered that:

56 Interview by the author, San Salvador, July 26, 2014.
57 Interview by the author, San Salvador, June 22, 2014.
During the process of looking for a candidate we always had it in our heads that, no matter the outcome, we would have significant power in the COENA….I cannot speak for the others, but I can stay that, at least for myself, that made the idea of Armando [Calderón Sol] as president much more acceptable.58

Following the election, several leaders of the oligarchy attempted to persuade Calderón Sol to remain at the head of the COENA. An ARENA legislator who attended the meeting reported that:

President Calderón Sol was outraged! At once, he listed several problems [with the proposition]: it would be an act of bad faith, it would create tension with the [bourgeoisie], and it would dishonor the legacy of his old mate, Major D’Aubuisson…And then he said something that surprised us all: he claimed that staying at the head of the COENA would be unconstitutional. That is how deeply engrained the [double-presidency ban] was by this point!59

Shortly after his election, Calderón Sol resigned from the COENA and real estate entrepreneur Juan José Domenech became its president shortly thereafter.60

58 Interview by the author, San Salvador, July 29, 2014.
59 Interview by the author, San Salvador, June 18, 2014.
60 De Rosa, 30 años trabajando por El Salvador, 270.
Once again, the exclusive nature of both the double-presidency ban and the split-tickets rule was crucial in facilitating this process, as capitalists could be certain that they would not need to compete with other constituencies for representation in the COENA and the bottom of the presidential ticket.

During Calderón Sol’s nomination, the list committee through which legislative candidates were recruited and selected played a unique role. Unlike in the previous presidential election, legislators were also chosen during the 1994 general election. The existence of a separate, well-delineated institution to structure internal competition for legislative candidates allowed ARENA to separate that process from the presidential nomination:

That would have been a disaster! The COENA did well to separate the two processes entirely….there was already enough [bargaining] involved in the selection of Don Armando [Calderón Sol], and everything would certainly have been more complicated if legislative candidacies had somehow been used as instruments in the nomination process.61

In other words, by containing competition for the presidential nomination and for legislative candidacies in two separate arenas of competition, power-sharing institutions prevented either process from destabilizing the party as a whole and facilitated the selection of a mutually agreeable presidential candidate.

61 Former member of the COENA, Interview by the author, San Salvador, August 3, 2014.
Finally, as in the previous electoral cycle, several key leaders of the party continued to privately oppose Calderón Sol’s nomination. Once again, however, power-sharing institutions preempted significant challenges to the nomination by providing clear standards of legitimacy that did not hinge on any specific outcome. A close associate of one of the other candidates who were considered during the pre-assembly explained that:

[The other candidate] was very disappointed in the decision…and certain that he could successfully challenge Calderón Sol’s nomination…. [But] in the end, we conceded that Calderón Sol had been selected in accordance with the party’s due process and we thought it more important…to respect the ‘institutionality’ of the party.

This view suggests that, as with Cristiani’s nomination, the legitimacy of Calderón Sol’s candidacy was ultimately judged on a procedural basis: though members of the party could criticize the likely effects of the nomination, few could argue that Calderón Sol had not been selected according to “the party’s due process.”

In conclusion, despite significant changes in the internal and external environment under which the nomination took place, ARENA’s power-sharing

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63 Interview by the author, San Salvador, August 1, 2014.
institutions once again enabled the party to complete the 1994 presidential candidate selection process without undermining its own cohesion or suffering any schisms. The pre-assembly allowed the two core constituencies to negotiate an outcome that was minimally acceptable to both groups and simplified the nomination process by excluding other constituencies. The double-presidency ban and the split-tickets rule generated cohesion by reducing the potential “winner-takes-all” nature of unregulated presidential nomination processes. The list committees allowed ARENA to separate the selection of presidential and legislative candidates. And, as a whole, this institutional framework legitimized Calderón Sol’s nomination despite the power-distributional implications it would entail.

3.2.2 Policymaking

During the Calderón Sol presidency, ARENA’s power-sharing institutions also enabled the party to address contentious policy issues without threatening party unity. To illustrate, consider one highly controversial reform introduced and implemented by the Calderón Sol government: a 13 percentage point increase to the recently established value-added tax (impuesto de valor agregado, popularly known as IVA).64 The tax reform deeply polarized Salvadoran society (Calderón Sol’s approval rating would drop by 39 percentage points before the bill was

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64 De Rosa, 30 años trabajando por El Salvador, 58.
approved) and forced ARENA to directly address a fundamental point of contention between its two core constituencies.65

Though both oligarchs and capitalists agreed, in general terms, that the agroexport model was no longer sustainable, the two constituencies differed with respect to the particular “brand” of economic liberalism they preferred.66 On one hand, oligarchs aimed to “industrialize the economy”67 by investing heavily on maquilas and other labor-intensive, low-technology markets.68 On the other hand, capitalists sought to “modernize the country”69 by strengthening the banking sector, increasing foreign trade, and attracting investment on high-technology industries.70 While these two models were compatible in some respects—they both called, for example, for greater investment in education and infrastructure—in other respects their prescriptions were considered mutually exclusive. A Professor of Economic Policy at El Salvador’s School of Economics and Business (Escuela Superior de Economía y Negocios, or ESEN) who served as a legislative liaison for the Ministry of Finance during the Calderón Sol presidency said:

Tax reform was the one policy front on which we simply could not get the different [core constituencies] within ARENA to reach an

66 Segovia, Transformación estructural, 8-9.
67 Former ARENA Finance Minister, Interview by the author, San Salvador, June 8, 2014.
68 Segovia, Transformación estructural, 9-13.
69 Former ARENA Finance Minister, Interview by the author, San Salvador, June 8, 2014.
70 Segovia, Transformación estructural, 9-13.
agreement….The IVA was particularly difficult. The traditional sector [i.e. the oligarchy] opposed the increase because it would reduce demand for simple manufacturing goods and, they believed, drive up wages….The modern business sector [i.e. capitalists] within the party supported the IVA increase because it would increase money for infrastructure and skills training and because they feared that…the alternative would be an increase on taxes on financial operations.71

Much to the “traditional sector’s” chagrin, President Calderón Sol, a life-long leader of the oligarchy, appeared to be on the wrong side of the intraparty cleavage. A high-ranking communications advisor explains Calderón Sol’s position as follows:

The President understood the internal dynamic very well, but in reality he was not seeking to make any decisions about the country’s economic growth model….His only concern was the following: he had a mandate to implement the pending statutes of the peace accords and to reconstruct significant swaths of the national infrastructure….All of this required money. And the government had none. For us, it was that simple.72

71 Interview by the author, San Salvador, June 2, 2014.
72 Interview by the author, San Salvador, July 6, 2014.
The two months following the announcement of the IVA increase constituted, according to the communications advisor, “the schism that never was.” He elaborated as follows:

We immediately started receiving frantic, angry calls...from legislators and [oligarchs]...Many threatened to break party ranks and establish a new legislative caucus...During a meeting between the legislative caucus and the President, a third of the legislators stood up and just left the room....During the worst of it, there were even constant rumblings of an impending coup d’état backed by the army and [the oligarchy]....On the morning that the bill was introduced in committee, I was briefed by a member of our security staff on...how to evacuate the presidential palace.

In June, 1995, however, the bill would receive the unanimous support of the ARENA caucus and be voted into law with the support of a dissident fraction of the FMLN caucus. How was ARENA able to emerge from the “schism that never was” as single, unified party? The evidence suggests that the cohesion-building role of power-sharing institutions was key.

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73 Ibid.
74 Ibid.
75 De Rosa, 30 años trabajando por El Salvador, 88.
First, consider the pre-assembly presidential nomination process. By facilitating the nomination of a president who was relatively moderate and relatively loyal to both oligarchs and capitalists, the pre-assembly resulted in the introduction of a similarly moderate tax reform: in contrast to Calderón Sol, at least one of the bourgeoisie’s proposed presidential candidates favored a much higher 20 percentage point increase to the IVA.\textsuperscript{76} In the final analysis, Calderón Sol’s relatively moderate proposal proved to be minimally acceptable to both core constituencies: “They didn’t like the IVA plan so they expressed their opinion passionately,” reminisced a member of Calderón Sol’s cabinet, “but ultimately the plan’s opponents knew that it was within the realm of the acceptable, especially compared to other, more radical positions within the party.”\textsuperscript{77}

Moreover, the pre-assembly deposited upon Calderón Sol the legitimacy of having been selected within the rules of the game and with the support of leaders from the two core constituencies. As Calderón Sol labored to gain support for the tax reform, this was a particularly useful asset. A close aide recalls a tense meeting between Calderón Sol and a prominent representative of the oligarchy:

Near the end, the President lost his patience. He reminded [his interlocutor], in quite colorful terms, that he had been elected \textit{unanimously} by the leaders of the party…and that they had asked

\textsuperscript{76} Former member of the COENA, Interview by the author, San Salvador, August 3, 2014.

\textsuperscript{77} Interview by the author, San Salvador, June 8, 2014.
him to run and to unify the party no matter how hard it may be.

Now, he demanded the support of his party in return….That argument would prove to be very effective, and gradually the legislators and [core constituents] who opposed the reform began to reconsider.78

The fate of the tax reform was ultimately in the hands of ARENA’s legislative caucus, and list committees proved to be crucial safeguards of the party’s cohesion. A result of a long process of negotiation within a committee composed of Cristiani, representatives of the two core constituencies, and members of the COENA, the ARENA caucus elected in 1994 represented the interests of both oligarchs and capitalists.79 This meant that in order to approve a tax increase, Calderón Sol would have to negotiate and gain the support of both core constituencies. By definition, then, the power-sharing institution through which ARENA legislators were selected compelled the president to craft mutually acceptable bills and ensured that any law would be a unifying—instead of a divisive—force within the party.

Finally the double-presidency ban ensured that the COENA could serve as a counterweight to the presidency. Indeed, Calderón Sol would work closely with the members of the COENA to craft a bill that would secure the IVA increase while gaining the support of the Executive Committee and the two core...

78 Interview by the author, San Salvador, July 6, 2014.

constituencies it represented. This was only possible because ARENA’s power-sharing institutions limited Calderón Sol’s control over the COENA, thus allowing the COENA to represent the different views within the party’s core coalition.

In short, just as ARENA’s network of power-sharing institutions enabled it to emerge from the peace negotiations as a unified party, so did they empower the party to address Calderón Sol’s internally polarizing tax reform without experiencing a schism.

3.3 The Flores Presidency (1999-2004)

Francisco Flores Pérez—ARENA’s third consecutive president—was inaugurated on June 1, 1999. The Flores presidency was defined by two characteristics that set it apart from ARENA’s two previous administrations. First, the FMLN had consolidated itself as a powerful party of the left and an effective political opposition. Following a schism during the Calderón Flores presidency, much of the FMLN’s moderate wing’s leadership had abandoned the party. As a result, the FMLN had grown both more cohesive and more extremist. In 1997—the last legislative election before the Flores presidency—the FMLN obtained 27 parliamentary seats, while ARENA’s plurality in the National Assembly was

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80 Member of the COENA, Interview by the author, San Salvador, June 7, 2014.
81 Maldonado and Sandoval, Historia de los Presidentes de El Salvador, 44.
82 Galeas and Galeas, Claves de una derrota, 51.
reduced to 28 seats.\textsuperscript{83} Second, though the economy continued to dominate internal policy debates within ARENA, the strategic interests of the two core constituencies had shifted significantly during the previous decade. With the end of the agro-exporting model, the oligarchy had gradually shifted from agricultural exports to low-cost, labor-intensive manufacturing, centered around \textit{maquilas}. On the other hand, with the advent of neoliberal reforms, the bourgeoisie’s wealth had gradually become concentrated in the banking and finance sectors.\textsuperscript{84}

Despite these changing circumstances, power-sharing institutions would once again enable ARENA to complete the presidential candidate selection process and address internally divisive policy areas without weakening its internal cohesion. The exception to this pattern would occur when Flores was accused of undermining the double-presidency ban by exercising “excessive influence” over the COENA. As I will argue, this episode helps elucidate the intrinsic cohesion-building effects of power-sharing institutions as well as the nature of their enforcement mechanisms.

\subsection*{3.3.1 Candidate Selection}

As in the two previous electoral cycles, ARENA’s 1999 presidential candidate selection process was highly contested. On one hand, after five years of Calderón Sol’s government, the bourgeoisie was eager to return to the presidential palace. On the other hand, the oligarchy—and particularly those who belonged to

\begin{flushright}
\textsuperscript{83} De Rosa, \textit{30 años trabajando por El Salvador}, 274

\textsuperscript{84} ESEN Professor, Interview by the author, San Salvador, July 6, 2014.
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Calderón Sol’s inner circle—felt entitled to a second term at the helm of the government following a presidency that, despite the IVA controversy, was widely popular.85

Once again, power-sharing institutions would enable ARENA to emerge from the candidate selection process as a unified party. The role of individual institutions in fostering cohesion closely mirrored ARENA’s two prior experiences in 1989 and 1994. The pre-assembly enabled ARENA’s core constituents to select a mutually acceptable candidate. A member of the outgoing COENA summarized the process as follows:

[The oligarchy] presented a series of possible candidates, while [the bourgeoisie] consolidated quickly around former President Cristiani….The oligarchy’s candidates were clearly too radical to unify the party, and though Cristiani had been a consensus-builder earlier, he had become increasingly identified with the extreme [bourgeoisie] as the party changed in the second half of the decade…Eventually Calderón Sol suggested Paco [Flores]…and [after some internal debate] the party had unified around him.86

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85 Party founder and former COENA member, Interview by the author, San Salvador, June 18, 2014.

86 Ibid.
Though Francisco Flores had long been associated with the bourgeoisie, he had served under both Cristiani and Calderón Sol, building a reputation as a brilliant but moderate leader who was relatively loyal to both sectors of the party.87

The exclusion of the party base and the general electorate from the nomination process was particularly important during this electoral cycle because Flores “was relatively unpopular” among the party’s electoral constituencies, and consensus among several observers posited that other candidates—especially Cristiani—could easily garner more support from non-core constituencies.88

Moreover, as in the previous two nomination processes, several individuals from both core constituencies remained unsatisfied with the selection of Flores, but, once again, any significant challenges to the nomination were stifled by its perceived legitimacy. Cristiani himself, who could realistically launch a destabilizing challenge for the nomination, concluded that “the party’s institutionality” was more important than any personal ambitions.89

Finally, as in previous electoral cycles, the split-tickets rule and the double presidency ban facilitated the candidate selection process by assuring oligarchs that their interests would be well-represented by the COENA and the office of the vice-president. Following the footsteps of his predecessors, Flores announced his

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88 Ibid.
89 Oligarch who opposed Flores’ nomination, Interview by the author, San Salvador, January 4, 2015.
vice-presidential candidate—oligarch Carlos Quintanilla Schmidt—in advance of
the general assembly.90

Upon Flores’ inauguration, however, the double-presidency ban would
become an unexpected source of intraparty conflict. Though Flores had
technically complied with the ban—he had never led the COENA and would not
seek its presidency—several leaders of the oligarchy accused the incoming
president of being in practical violation of the rule.91 A particularly vocal member
of the oligarchy explained:

Though it is true that President Flores never formally exercised
control of the COENA, he practically exercised control through its
two leaders…[capitalists] Roberto Murray Meza and Gerardo
Suvillaga….Everyone knew that those two were loyal associates of
Flores, and that he had given the political capital to make them the
leaders of the COENA.92

The new COENA was quickly dubbed COENA, Inc. (COENA, S.A. de C.V.) due
to the alleged dominance of Flores-friendly capitalists within the committee.93 In
reality, however, the composition of the new COENA did not have major power-
distributional repercussions, and the committee continued to exercise its role as a

90 De Rosa, 30 años trabajando por El Salvador, 109.
91 Oligarch, Interview by the author, San Salvador, August 14, 2014.
92 Ibid.
93 Galeas, Sol y acero, 150.
counterweight to the presidency. The internal instability generated by Flores’
perceived disrespect for the power-sharing institution, however, eventually
compelled the administration to request the resignation of both Murray Meza and
Suvillaga. A chief Flores strategist explained the decision:

The controversy generated by the COENA issue was making it
impossible for us to govern….Some [members of the oligarchy] would pressure us incessantly and refuse to cooperate with us…
Many went as far as to publicly condemn the president. Reasoning
with them was very difficult, and they seemed to oppose Murray
Meza’s close ties with Flores not based on any real effects but on
principle, which made everything even harder…In the end, with
[legislative] elections just around the corner, we decided that this
instability was damaging the party.

In conclusion, ARENA’s power-sharing institutional framework once
again allowed the party to emerge from a contentious candidate selection process
as a unified organization. The pre-assembly resulted in the selection of a mutually
acceptable candidate, facilitated the nomination process by excluding the
preferences of non-core constituencies, and legitimized Flores’ nomination. The

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94 Data in De Rosa, 30 años trabajando por El Salvador, 262-273 suggests that the
constituency composition of the “COENA, Inc.” was roughly the same as the previous
two COENAS.

95 Interview by the author, San Salvador, July 6, 2014.
double-presidency ban and the split-tickets rule further generated cohesion by ensuring oligarchs that their interests would be well represented despite the nomination of a capitalist president. Flores’ perceived disrespect for the double-presidency ban following his inauguration and the period of instability that ensued reveal the importance of power-sharing institutions for party cohesion.

3.3.2 Policymaking

During the Flores presidency, power-sharing institutions would once again enable the party to address highly contentious policy issues without undergoing any schisms. In mid-2000, the Flores administration began working discretely to gather support for the Monetary Integration Act, a financial reform program that would dollarize the Salvadoran economy.

Initially, ARENA’s two core constituencies were deeply divided on their reception of the bill. A top Flores aide tasked with managing the approval of the bill, recalled that:

The [oligarchy] generally supported dollarization because it would increase their access to financial credit and lower the costs of trade…The [bourgeoisie], however, was strongly opposed to the reform because dollarization would drive down interest rates and produce losses in the banking sector, at least in the short term….Though Flores was sympathetic to both views, his ultimate
goal was to secure long-term monetary stability and economic growth.\textsuperscript{96}

These differences in opinion between ARENA’s two core constituencies, moreover, were exacerbated by the intractability of the reform: “We knew from the beginning that it would be almost impossible to undo the dollarization,” claimed a legislator.\textsuperscript{97}

Despite these challenges, however, the Legislative Assembly voted in favor of the Monetary Integration Act on November 30, 2000 with unanimous support among the ARENA caucus.\textsuperscript{98} Once again, ARENA’s power-sharing institutions were crucial in enabling the party to overcome its internal differences.

First, the pre-assembly nominating mechanism had resulted in the selection of a moderate president who, having served under both Cristiani and Calderón Sol, understood the concerns of both core constituencies. Though dollarization “was a ‘yes or no’ policy” with “little room to maneuver,”\textsuperscript{99} both Flores aides and members of the ARENA caucus would praise the president’s “natural” understanding of the commitments and incentives faced by both core constituencies.\textsuperscript{100} “For all his fame as a hardline [capitalist],” recalled a legislator closely associated with the oligarchy, “Flores comprehension of our concerns was

\textsuperscript{96} Interview by the author, San Salvador, June 8, 2014.
\textsuperscript{97} Interview by the author, San Salvador, June 18, 2014.
\textsuperscript{98} De Rosa, \textit{30 años trabajando por El Salvador}, 113.
\textsuperscript{99} Top Flores Aide, Interview by the author, San Salvador, July 6, 2014.
\textsuperscript{100} Ibid.
surprising.”

Flores ability to grasp the perspectives of both core constituencies enhanced his ability to negotiate a mutually acceptable bill: “At the end it was the President’s status as a sincere and empathetic negotiator that got it done,” would conclude one of Flores’ legislative liaisons.\(^\text{102}\)

The pre-assembly also endowed Flores with significant legitimacy among the two core constituencies and their representatives. In 1996, when Calderón Flores’ Finance Minister first suggested the introduction of a Monetary Integration Law, Flores—then a legislator and Secretary of Information of the Presidency—had been a strong supporter of dollarization.\(^\text{103}\)

When the bill was finally introduced four years later, members of the bourgeoisie who opposed it would be compelled to recognize that they had supported Flores’ nomination despite his known interest in monetary integration. “He would remind us every day!” recalled a prominent member of the bourgeoisie. “And he was right. It definitely weakened our negotiating position.”\(^\text{104}\)

Second, by ensuring the representation of both core constituencies through the COENA and the Vice-Presidency, the split-tickets rule and the double-presidency ban forced Flores to negotiate a mutually acceptable bill. Indeed, before announcing the monetary integration initiative or presenting a bill to the legislature, Flores and his inner circle entered extensive private negotiations with

\(^{101}\) Interview by the author, San Salvador, July 26, 2014.

\(^{102}\) Interview by the author, San Salvador, June 8, 2014.

\(^{103}\) Top Flores Aide, Interview by the author, San Salvador, July 6, 2014.

\(^{104}\) Interview by the author, San Salvador, August 1, 2014.
the COENA in order to secure the support of both core constituencies.\textsuperscript{105} A top Flores strategist said this strategy was crucial for gathering support of the bill, arguing that “presenting the bill without the prior support of the COENA would have been a disaster…that we feared could cause serious devisions within the party.”\textsuperscript{106}

Finally, the list committees through which ARENA legislators were selected had two important effects. First, they ensured that both core constituencies were represented in the ARENA caucus, meaning that any bill would require the support of both oligarchs and capitalists. Second, the power-sharing institution helped separate competition for legislative candidacies from the policymaking process. The dollarization proposal widely unpopular among the public, “ten or twelve” of ARENA’s legislators feared that supporting the Financial Integration Law would derail their reelection plans.\textsuperscript{107} The list committees empowered Flores to assuage these concerns by guaranteeing “five or six” legislators who were “still undecided late in the process” a favorable position on the next party list.\textsuperscript{108}

In sum, power-sharing institutions once again enabled ARENA to address a highly divisive policy issue as a cohesive party. The pre-assembly resulted in the election of a president whose moderation and legitimacy allowed him to unify the

\begin{itemize}
\item \textsuperscript{105} Top Flores Aide, Interview by the author, San Salvador, July 6, 2014.
\item \textsuperscript{106} Ibid.
\item \textsuperscript{107} Ibid.
\item \textsuperscript{108} Ibid.
\end{itemize}
party behind the Monetary Integration Act. The split-tickets rule and the double-presidency ban provided a clear channel for the two core constituencies to negotiate a mutually acceptable dollarization project. Finally, the list committees ensured both that any law would be supported by the two core constituencies and that competition for legislative candidacies could be contained and prevented from exacerbating the differences between oligarchs and capitalists.

Conclusion

The evidence presented in this chapter strongly supports the hypothesis that power-sharing institutions were the key drivers of ARENA’s cohesion between 1989 and 2004. Though the three ARENA presidencies during this period varied with respect to a range of important variables—including the presence of violence and redistribution threats, the strength of the partisan left, the state of the economy, the salience of different policy issues, and the relative strength of ARENA’s two core constituencies—power-sharing institutions constantly enabled the party to navigate intraparty conflict successfully and emerge from contentious internal processes as a cohesive whole. The selection of Cristiani, Calderón Sol, and Flores and the party’s management of the peace process, the 1995 tax reform, and the 2000 dollarization law are clear examples of the consistent cohesion-building effects of power-sharing institutions.

Crucially, another key similarity among the three presidencies is that ARENA’s principal coalitional objective was to consolidate and preserve the core
coalition of oligarchs and capitalists. Power-sharing institutions enabled the party to achieve this goal by providing stability to intraparty competition and isolating internal dynamics from broader changes in the environment. As I will argue in the following chapter, towards the end of the Flores presidency ARENA’s principal coalitional objective became the accommodation of a new upper strata constituency through an adjustment of the party’s coalition. When ARENA’s objectives shifted from continuity to change, the party’s power-sharing institutions became an important constraint.

Finally, the evidence presented in this chapter helps highlight the shortcomings in the alternative explanations discussed in Chapter 1. First, the three ARENA presidencies examined in this chapter exhibited significant variation with respect to violence, perceived threat, and the preferences of core constituents. As a result, two of the alternative explanations outlined in Chapter 1—perceived threat and the rational-choice variant of the leadership approach—would have predicted the three presidencies to be characterized by different levels of cohesion. As I have shown throughout this chapter, however, the evidence does not match these predictions: ARENA experienced—with a few isolated exceptions—uniformly high levels of party cohesion across the three presidencies. Second, none of the alternative explanations can fully explain the period of relative instability that marked the beginning of Flores’ presidency: during the lifespan of the “COENA, Inc.,” there were no significant changes in perceived threat, access to patronage, electoral institutions, private business organization, or
leadership. On the other hand, power-sharing institutions can successfully explain both the generally high levels of cohesion that ARENA experienced during this period, as well as the isolated episodes of instability in between.
Chapter 4

The “Darkest Hour”:
Schism in ARENA, 2004-2009

This chapter turns to ARENA’s period of declining cohesion, beginning in approximately in 2004 and culminating in the 2009 schism. In the mid-2000s, the rise of a new upper strata constituency (to which I refer as the new bourgeoisie) triggered a period of coalitional adjustment within ARENA, placing powerful pressures on the party to incorporate the new constituency into its core coalition. As predicted, however, ARENA’s exclusive and highly enforced power-sharing institutions limited the party’s capacity to accommodate the new constituency within existing the existing institutional framework. Mounting environmental pressures resulted in the collapse of power-sharing institutions, a period of spiraling intraparty conflict, and, eventually, a failed accommodation schism.

This chapter is divided into three sections. First, I describe the rise of the new bourgeoisie and Elías Antonio Saca, ARENA’s fourth consecutive president. Second, I examine ARENA’s attempt to accommodate this new constituency and the simultaneous collapse of the party’s power-sharing institutions. Finally, I describe how, in the absence of power-sharing institutions, unregulated intraparty conflict led to the failed accommodation schism in 2009.
4.1 The Period of Coalitional Adjustment: Antonio Saca and the New Bourgeoisie

The new bourgeoisie\(^1\) that would become embodied in Antonio Saca traces its roots to a wave of Iberian and Middle Eastern immigrants that arrived in El Salvador during and immediately following World War I. These predominantly Arab immigrant communities settled in urban and semi-urban areas around San Salvador and Eastern El Salvador and, over generations, many prosperous family-based enterprises from these communities developed an important economic niche as providers of low-cost, imported manufactured goods.\(^2\) By the 1970s, a cadre of these new capitalists—referred to pejoratively as turcos—had settled into what one of them called “an awkward social space, above the upper middle class but below, always below the fourteen families and the big elites.”\(^3\)

Indeed, the development of the new bourgeoisie was limited by two broad factors. First, economic policy. The agro-export model implemented by the protection racket state resulted in small domestic markets, limited access to international credit, low investment in infrastructure and, most importantly, significant trade restrictions.\(^4\) As a prominent member of the new bourgeoisie

\(^1\) For clarity, I refer to the members of the new bourgeoisie as new capitalists, in order to distinguish them from the members of the traditional bourgeoisie. Occasionally, I hereafter refer to the bourgeoisie and the oligarchy collectively as ARENA’s traditional core constituencies, in order to distinguish them from the new bourgeoisie.


\(^3\) Arab-Salvadoran community leader, Interview by the author, San Salvador, August 20, 2014.

\(^4\) Segovia, *Reforma estructural*, 78-79
recalled, “those were not the optimal conditions for our enterprises...[and] they set a very clear limit to how much we could earn and expand.”

Second, the new bourgeoisie faced significant discrimination from the oligarchs and budding capitalists in the upper strata who, in the 1980s, would become ARENA’s core constituents. Due to their ethnic and religious identity, for example, new capitalists were purposely and systematically excluded from the PCN, the ANEP, and the elite country clubs of the day. In response, new capitalists developed their own business cooperatives, schools, churches, and, revealingly, their own exclusive country club. “The discrimination we faced helped us become a prouder and more unified community,” concluded a long-time civil society leader, “but it also stopped us from fully developing, as was our right, in social, economic, and political terms....Two, three, or four generations later, sometimes many of us still felt like recently arrived immigrants.”

This would change quickly in the 1990s. Recovering domestic markets following the end of the civil war, combined with the neoliberal economic reforms implemented by ARENA during its first three governments—which included trade liberalization, dollarization, the privatization of key sectors of the economy, greater access to international credit, financial incentives for businesses,

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5 Interview by the author, San Salvador, August 19, 2014.

6 Arab-Salvadoran community leader, Interview by the author, San Salvador, August 20, 2014.

7 Ibid.

8 Ibid.
and the establishment of several free trade agreements—allowed the new bourgeoisie to grow and diversify rapidly.⁹ A former business partner of President Saca recalled:

For us, it was a period of enormous [business] activity….The opening and recovery of the economy enabled us to expand and diversify our businesses because many of the barriers we faced began to fall…For example, in the span of two years we invested in real estate and the media industry for the first time and I think we tripled our net worth twice.¹⁰

In 1990, approximately 5% of El Salvador’s largest taxpaying corporations were owned by members of the new bourgeoisie. In 2003, that number had ballooned to 20%.¹¹ By the end of Flores government, therefore, the new bourgeoisie had indisputably entered the upper strata of Salvadoran society.

The rapid rise of the new bourgeoisie in the 1990s was embodied by Elías Antonio Saca. A descendent of immigrants from the West Bank, Saca rose from relative anonymity in the 1980s to become a powerful media entrepreneur. In a watershed moment for the self-proclaimed “Arab-Salvadoran community,” Saca

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⁹ Galeas and Galeas, Claves de una derrota, 26-52.

¹⁰ Interview by the author, San Salvador, August 19, 2014.

¹¹ These calculations were completed by the author using publicly available information.
was elected president of the ANEP in 2001 and, by 2003, the former radio personality had become El Salvador’s third most popular public figure.\textsuperscript{12}

As Francisco Flores’ presidency entered its final year and the 2004 election cycle began, these changes put powerful pressure on ARENA to incorporate the new bourgeoisie into its core constituency. First, ARENA’s brand and organizational strength hinged, to a significant extent, on its status as the undisputed political representative of the business sector: the party essentially served as a vehicle that allowed business elites to coordinate and mobilize an electoral coalition.\textsuperscript{13} In order to retain its monopoly over the political representation of business interests, several leaders within ARENA identified the incorporation of the new bourgeoisie as a key strategic objective.\textsuperscript{14} Second, the new bourgeoisie possessed both the material resources and the support among voters (principally through Antonio Saca) that could serve as the foundations for a new conservative party. As the FMLN consolidated itself as the sole party of the left, leaders within ARENA understood the likely electoral repercussions of a divided right.\textsuperscript{15} Thus began the period of coalitional adjustment that would culminate in ARENA’s 2009 schism.

\textsuperscript{12} Maldonado and Sandoval, \textit{Historia de los Presidentes de El Salvador}, 46.
\textsuperscript{13} Wood, “Civil War and the Transformation of Elite Representation.”
\textsuperscript{14} Interviews by the author, San Salvador, June 18 and August 18, 2014.
\textsuperscript{15} Ibid.
4.2 Initial Accommodation and the Collapse of Power-Sharing Institutions

Following ARENA’s poor performance in the 2003 legislative elections, a small but influential cadre of core constituents led by media mogul Boris Eserski became convinced of “the need to bring Saca and his circle into the party.” Working alongside Saca and other leaders of the new bourgeoisie, these traditional constituents sought to “create an alliance between the [new bourgeoisie] and the traditional leaders of the party” centered around a Saca presidency. Met with institutional rigidity and the party’s low adaptive capacity, however, the new bourgeoisie’s attempt to enter the core coalition would result in the collapse of ARENA’s power-sharing institutional framework, a fourth presidency marked by internal instability, and, eventually, the 2009 schism.

4.2.1 Pre-Election: Collapse of the Pre-Assembly, the Split-Tickets Rule, and the G-20

In April 2003, Antonio Saca, several leaders of the new bourgeoisie, and a small cadre of Saca’s closest advisors convened for the first time to discuss a potential Saca candidacy. “We knew from day one,” recalls a communications

16 In what was seen by the party as a major electoral failure, ARENA obtained 27 legislative seats compared to the FMLN’s 31. See De Rosa, 30 años trabajando por El Salvador, 274.

17 Early proponent of Saca’s candidacy, Interview by the author, San Salvador, August 20, 2014.

18 Ibid.
strategist who attended the meeting, “that we would not be able to get nominated by following the same path as previous presidents.”  

Indeed, the exclusive, highly enforced, and well-established pre-assembly presidential candidate selection mechanism made Saca’s nomination highly unlikely for at least three reasons. First, it concentrated power in the hands of ARENA’s traditional core constituents, the majority of whom continued to view Saca as an outsider and a “populist.” A former president recalled:

[By April 2013] we had already started the traditional search for a candidate….We were considering individuals with long trajectories within the party, like [incumbent Vice-President Carlos] Quintanilla Schmidt and [Director of the National Civilian Police] Mauricio Sandoval…We were certain that a good candidate would emerge from our negotiations…. [So] when Don Boris [Eserski] suggested Saca’s name, it gained very little support….Most of us thought it was a risky choice, because he did not have a long trajectory within the party and he had not gained the trust of the [traditional core constituencies]….I remember that Francisco Flores was especially opposed to Tony [Saca] because he said he was a “populist.”

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19 Interview by the author, San Salvador, August 18, 2014.
As predicted, therefore, the exclusive nature of the pre-assemblies perpetuated the dominance of the two traditional core constituencies in the candidate selection process despite significant changes in the composition of the upper strata: though the new bourgeoisie, as mentioned, controlled at least 20% of El Salvador’s largest corporations, it had no representation in the pre-assembly.

Second, even those members of the traditional core constituencies who supported Saca’s bid were unwilling to consider reforming the pre-assembly to include broader representation or majoritarian (as opposed to consensual) decision-making. An early supporter of Saca among the oligarchy explained his position:

I thought Tony [Saca] would be a phenomenal candidate! He was without a doubt our best alternative….In fact, I thought he was our only chance of winning….But I was also committed to the “institutionality” of the party….I told Tony and his team many times that he would have to follow the existing rules.21

Another early supporter from the bourgeoisie expressed similar sentiments: “The only thing more important than winning for me was respecting the principles of the party….Though I supported Tony’s candidacy and thought that the [pre-assembly] was making a terrible mistake, we had always respected the party’s

21 Interview by the author, San Salvador, January 9, 2014.
institutions.” These views suggest that, after decades of high enforcement, ARENA’s core constituents had come to see the pre-assembly as unappealable and highly valuable in its own right, regardless of the individual benefits that institutional change might have produced.

Additional evidence suggests that traditional constituents who supported Saca were also aware of the individual costs they could incur by promoting institutional change. A member of the new bourgeoisie who would become a GANA leader after the 2009 schism shared this assessment:

You have to take into account that in this small group of people [i.e. the pre-assembly] were many individuals who had aspired and even today aspire to run for president one day. People like [prominent businessmen] Ricardo Poma and [Roberto] Murray Meza. And even the ones who did not want to be president wanted to make sure they could continue selecting the presidents….These people had no way of doing this—no popular support, no big vision—except for their membership in the inner circle [of ARENA]….Of course they did not want to let go of old rules.23

This view suggests that, as expected by the theory, traditional core constituents had invested in the existing institution—for example, by working to preserve their

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22 Interview by the author, San Salvador, August 22, 2014.
23 Interview by the author, San Salvador, January 4, 2015.
presence and support within the core coalition—and were reluctant to forgo potential future returns on those investments.

Aware that Saca’s candidacy was inviable within ARENA’s power-sharing institutional framework, the new bourgeoisie and Saca’s inner circle set out to circumvent the pre-assembly. In an unprecedented act, Saca began to travel the country in May 2003 in order to raise support for his candidacy among the party base. Though the pre-assembly eventually elected a candidate backed by the two traditional core constituencies—incumbent Vice President Carlos Quintanilla Schmidt—Saca’s overwhelming support among the party base compelled the COENA to entertain a contested vote during the party’s General Assembly for the first time in ARENA’s history:

Usually, in the weeks before each General Assembly, [the COENA] would reach out to all of the delegates and address any concerns they may have…this to make sure that, on the day of the assembly, support for the party’s candidate is unanimous….But in that occasion, the support Saca had among the party base was such that our efforts were useless….Two weeks before the Assembly, we decided to hold a contested vote.25

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24 Top Saca Aide, Interview by the author, San Salvador, August 18, 2014.
25 COENA Member, Interview by the author, San Salvador, June 24, 2014.
With 98% of the pre-assembly votes cast in his favor, Saca easily overwhelmed Quintanilla Schmidt to become the party’s presidential nominee.\textsuperscript{26} For the first time in over two decades, the pre-assembly had failed and ARENA’s presidential candidate had been selected without the support of the party’s traditional core constituents.

With Saca on ARENA’s presidential ticket, the split-tickets rule automatically became untenable. The exclusive power-sharing institution was designed to accommodate only two possible constituencies—one represented in each half of the presidential ticket—and, with the rise of the new bourgeoisie, one of the party’s traditional core constituencies would be excluded from the ticket. Saca would eventually nominate Ana Vilma de Escobar, a veteran party activist and former USAID analyst who was closely associated with the bourgeoisie, as the vice-presidential candidate. Her nomination, however, appears to have been primarily motivated by electoral considerations: “Ana Vilma had great support among women, among young voters, and among right-wing voters,” clarified one of Saca’s main campaign strategists.\textsuperscript{27} For the first in ARENA’s history, the split-tickets rule went unenforced and the oligarchy lacked direct representation in the executive branch.

Before the 2004 election, Saca’s campaign and the new bourgeoisie’s effort to consolidate its place in ARENA’s core coalition would result in the

\textsuperscript{26} De Rosa, \textit{30 años trabajando por El Salvador}, 111.

\textsuperscript{27} Interview by the author, San Salvador, August 18, 2014.
collapse of a third power-sharing institution: the G-20. By providing and controlling the bulk of ARENA’s campaign funds, the G-20 had traditionally wielded great influence over the party’s presidential campaigns. Five years prior to Saca’s nomination, for example, the Flores campaign routinely sought approval from the G-20 in advance of all major policy announcements.\textsuperscript{28} Similarly, the Cristiani campaign had postponed the announcement of the peace process until after the campaign at the G-20’s request.\textsuperscript{29} Crucially, the highly exclusive G-20 was comprised entirely of members of the oligarchy and the bourgeoisie.

Eager to consolidate its own authority within the party, the new bourgeoisie was determined to limit the involvement of ARENA’s traditional core constituencies in the Saca campaign. Immediately following Saca’s nomination, members of the new bourgeoisie sought to reform the G-20 in order to increase their presence among the campaign’s financiers.\textsuperscript{30} These efforts, however, were met with strong resistance from ARENA’s traditional core constituencies. Evidence from interviews suggests two reasons for the traditional core constituents’ reluctance to reform the G-20. First, the members of the G-20 had invested heavily in the existing institution, in terms of both financial contributions and the organization of the party’s fundraising organization. Ceding their control over the committee or reforming the current institutions would result in

\textsuperscript{28} Top Flores Aide, Interview by the author, San Salvador, July 6, 2014.

\textsuperscript{29} Ibid.

\textsuperscript{30} Top Saca Aide, Interview by the author, San Salvador, August 18, 2014.
significant costs.\textsuperscript{31} Second, after decades of high enforcement, core constituents had come to attribute great importance to institution itself.\textsuperscript{32}

Unable to participate in the G-20, the new bourgeoisie maneuvered to circumvent it altogether.\textsuperscript{33} The Saca campaign established an independent fundraising committee that mobilized significant amounts of capital from the Arab-Salvadoran community.\textsuperscript{34} In cooperation with President Flores—who considered it his responsibility to guarantee ARENA’s electoral success—the new bourgeoisie secured over USD 10 million in campaign contributions from foreign donors.\textsuperscript{35} Meanwhile, the G-20’s influence, along with its financial contributions to the campaign, withered.

On March 21, 2004, Saca won the presidential election in a landslide, obtaining 57.71\% of the vote.\textsuperscript{36} The new bourgeoisie had completed a crucial initial step in its incorporation into ARENA’s core coalition. The cost, however, had been the collapse of three of the party’s principal power-sharing institutions.

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\begin{itemize}
  \item \textsuperscript{31} COENA Member, Interview by the author, San Salvador, June 24, 2014.
  \item \textsuperscript{32} Ibid.
  \item \textsuperscript{33} Top Saca Aide, Interview by the author, San Salvador, August 18, 2014.
  \item \textsuperscript{34} Ibid.
  \item \textsuperscript{35} The government of Taiwan became one of the campaign’s most important contributors. In 2013, revelations of Taiwan’s involvement in the ARENA campaign would result in legal action against Flores.
  \item \textsuperscript{36} De Rosa, \textit{30 años trabajando por El Salvador}, 110.
\end{itemize}

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4.2.1 Post-Election: Collapse of the Double-Presidency Ban and the List Committees

Though Saca had become president, the new capitalists remained, in many respects, outsiders to the party. Crucially, their representation in the COENA and the party’s legislative caucus was negligible.\textsuperscript{37} As a result, the two power-sharing institutions that regulated competition for membership to these two groups—the double-presidency ban and the list committees—would come under significant strain during the first half of the Saca presidency. By March 2006, both institutions would collapse.

Shortly before Saca’s inauguration, the president-elect’s inner circle held a series of meetings to discuss the future of the COENA.\textsuperscript{38} During the campaign, Saca had been appointed president of the Executive Committee in order to improve coordination between the party leadership and the campaign.\textsuperscript{39} Upon his election, the double-presidency ban called for Saca to step down from the COENA and for its remaining members to elect a new party president.

However, Saca’s advisors and his supporters among the new bourgeoisie feared that, if the president-elect stepped down, the COENA—which included almost no other representatives of the new bourgeoisie—would once again be entirely controlled by capitalists and oligarchs.\textsuperscript{40} Relations between the three core

\textsuperscript{37} Top Saca Aide, Interview by the author, San Salvador, August 18, 2014.
\textsuperscript{38} Ibid.
\textsuperscript{39} COENA Member, Interview by the author, San Salvador, June 24, 2014.
\textsuperscript{40} Top Saca Aide, Interview by the author, San Salvador, August 18, 2014.
constituencies had deteriorated during the campaign following Saca’s evasion of the pre-assembly, the split-tickets rule, and the G-20. Indeed, ARENA’s traditional elites were eager to regain control of the party presidency in order to serve as a counterweight to the Saca government.\textsuperscript{41} “We did not want to ‘take over the party,’ as some would later accuse us of,” recalled a top Saca advisor, “[But] we knew that without the COENA’s cooperation Tony [Saca] would simply not be able to govern.”\textsuperscript{42}

Saca attempted to negotiate with the leaders from the traditional core constituencies, offering his resignation from the COENA in exchange for a mutually acceptable party president.\textsuperscript{43} After decades of high enforcement, however, the double-presidency ban—which core constituents especially associated with the legacy and memory of D’Aubuisson—had become deeply entrenched. An ARENA founder and historical leader of the oligarchy described the institution as “a basic principle of the party since D’Aubuisson had the wisdom to implement it” that “could not be altered or used as a negotiation piece.”\textsuperscript{44} A top Saca aide described the traditional core constituent’s refusal to consider a compromise as “fanatical,” noting that “they considered the ban god-sent and could not be reasoned with one bit, despite the obvious benefits of

\textsuperscript{41} COENA Member, Interview by the author, San Salvador, June 24, 2014.

\textsuperscript{42} Top Saca Aide, Interview by the author, San Salvador, August 18, 2014.

\textsuperscript{43} Ibid.; COENA Member, Interview by the author, San Salvador, June 24, 2014.

\textsuperscript{44} Interview by the author, San Salvador, August 3, 2014.
reaching an agreement.” It is evident, however, that traditional elites also had strong, rational incentives to protect their dominance over the COENA.

Backed by the new bourgeoisie, Saca privately communicated his decision to remain at the head of the COENA indefinitely. The reaction from ARENA’s two traditional core constituencies was unequivocal. In numerous private meetings, leaders from the bourgeoisie and the oligarchy expressed their concern for Saca’s double-presidency and, in at least one occasion, threatened to abandon the party. In public statements and press releases, the ARENA legislative caucus, a group of party founders, and the party’s women’s wing denounced Saca’s “lack of respect for the nationalist values of [our party].” Crucially, the traditional core constituent’s criticism of Saca’s double-presidency centered less on its power-distributional consequences and predominantly on its disregard for the party’s decades-old power-sharing institutions. For example, a September, 2005 letter addressed to President Saca from a group of prominent capitalists read:

> Our concern is that your projection in national politics as President of the Republic and simultaneously as president of the Party, under the context of a presidentialist culture…violates our party’s

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45 Top Saca Aide, Interview by the author, San Salvador, August 18, 2014.
46 Ibid.; COENA Member, Interview by the author, San Salvador, June 24, 2014.
47 Top Saca Aide, Interview by the author, San Salvador, August 18, 2014.
48 Former president, Interview by the author, San Salvador, August 3, 2014.
tradión of defending the separation of powers…through compliance with well-established principles and regulations.\textsuperscript{49}

Saca, who remained widely popular among the party base and the general electorate, would largely ignore these criticisms; he would remain at the head of the COENA until October 2009.\textsuperscript{50}

The selection of legislative candidates for the 2006 election became another point of contention between the new bourgeoisie and ARENA’s two traditional core constituencies. As the next section of this chapter will document, with the collapse of ARENA’s power-sharing institutions, competition for control over the party had extended to the legislature. As a response to Saca’s refusal to comply with the double-presidency ban and at the urging of traditional core constituents, ARENA’s legislative caucus refused to support the new government’s major legislative proposals.\textsuperscript{51} In this context, Saca’s inner circle identified the selection of candidates for the 2006 election as a crucial opportunity to increase the influence of the new bourgeoisie in the ARENA caucus and establish executive-legislative cooperation.\textsuperscript{52} In order to avoid negotiating with traditional constituencies, Saca leveraged his formal powers as president of the COENA to forego the well-established list committees and centralize the selection

\textsuperscript{49} In De Rosa, \textit{30 años trabajando por El Salvador}, 126.

\textsuperscript{50} Ibid., 262-273.

\textsuperscript{51} ARENA legislator, Interview by the author, San Salvador, August 5, 2014.

\textsuperscript{52} Top Saca Aide, Interview by the author, San Salvador, August 18, 2014.
of legislative candidates under the presidency. As a result, approximately half of the chosen candidates would be individuals closely linked to the new bourgeoisie.

By the end of Saca’s second year at the helm of the government the new bourgeoisie had established itself firmly at the core of ARENA. New capitalists and their representatives were in control of the presidency, half of ARENA’s legislative caucus, and the party presidency. As a result, the new bourgeoisie became increasingly responsible for the party’s brand, agenda, and resources. The cost of accommodation, however, had been the collapse of the exclusive and highly enforced power-sharing institutions upon which ARENA’s cohesion had been constructed.

4.3 Unregulated Internal Competition and Failed Accommodation

In the absence of power-sharing institutions, the Saca presidency was characterized by deteriorating party cohesion and internal instability. Where power-sharing institutions had legitimized outcomes, contained competition, and reduced “winner-takes-all” mentalities, their collapse led to outcomes that were passionately challenged, fierce competition that pervaded every aspect of the party, and interactions that were increasingly seen as zero-sum. Where power-sharing institutions had constantly facilitated mutually acceptable outcomes, their collapse gave way to polarizing decision-making that exacerbated the chasm

53 Ibid.
54 ARENA legislator, Interview by the author, San Salvador, August 5, 2014.
between the new bourgeoisie and ARENA’s traditional core constituencies. Two events during the Saca presidency are particularly illustrative of ARENA’s rapidly declining cohesion.

First, Saca’s decision, in 2005, to introduce a tax reform bill triggered an internal crisis within ARENA that would result in the resignation of Finance Minister Guillermo López Suárez.\textsuperscript{55} The bill, which proposed a 6 percentage point increase on the IVA, provoked public criticism from prominent capitalists and oligarchs.\textsuperscript{56} Despite the Saca administration’s efforts to gather support for the bill in congress, the ARENA caucus remained deeply opposed to the bill on both substantive and political grounds: “We simply didn’t need more taxes…[and] I was not willing to give Antonio Saca a political victory,” recalled an ARENA legislator.\textsuperscript{57} The government’s approval ratings declined by 8% as a result of the controversy surrounding the bill, and, as the 2006 electoral cycle neared, Saca opted to withdraw the bill, request López Suárez’s resignation, and appoint a former airline CEO to fill the vacancy.\textsuperscript{58}

Saca’s failed tax reform stands in sharp contrast to Flores’ Monetary Integration Law and Calderón Sol’s own, more ambitious IVA expansion. Under both Flores and Calderón Sol, power-sharing institutions resulted in moderate leaders who incorporated the two core constituencies—represented in the COENA

\textsuperscript{55} Maldonado and Sandoval, Historia de los-presidentes de El Salvador, 47.
\textsuperscript{56} Ibid.
\textsuperscript{57} ARENA legislator, Interview by the author, San Salvador, August 5, 2014.
\textsuperscript{58} Top Saca Aide, Interview by the author, San Salvador, August 18, 2014.
and the vice-presidency—into the entire policymaking process. The well-understood and universally accepted institutions through which Calderón Sol and Flores had reached the presidency endowed them with an aura of legitimacy that compelled the opponents of their respective bills to express their concerns privately. Under the structure of incentives and expectations created by power-sharing institutions, cooperation was seen as mutually beneficial: a “political victory” for the incumbent president could be a political victory for the party as a whole. Finally, the list committees ensured that all core constituencies were represented in the legislative caucus, creating a natural source of support for Flores and Calderón Sol’s initiatives. The collapse of power-sharing institutions, therefore, undermined ARENA’s ability to address internally divisive policy issues as a cohesive party.

Second, in the build-up to the 2009 general election, the presidential candidate selection process triggered an aborted schism within ARENA. In early 2008, the Saca administration announced a new process for the selection of ARENA’s presidential candidate. The COENA would interview presidential hopefuls and select several “pre-candidates.” The pre-candidates would then campaign for the nomination, and the winner would be selected through a contested vote at the party’s General Assembly. In a crowded field of over fifteen possible candidates, Rodrigo Ávila, a former director of the national police


60 Ibid.
force, won the nomination. Though the Saca administration framed the candidate selection as a historical process of democratization within ARENA, traditional core constituencies immediately challenged the legitimacy of the result, claiming that that Saca had always intended for Ávila, his preferred candidate, to win the nomination. Three separate delegates to the nominating General Assembly would later confirm that they received “strong incentives” from “the presidency” to vote for Ávila.

Immediately after the Ávila’s nomination, two of the unsuccessful candidates—each associated to one of ARENA’s two traditional core constituencies—privately shared their intention to form a new political party and compete against Ávila in the election. The schism was ultimately avoided when two former presidents intervened. One of the leaders of the aborted schism reported that:

We felt that we had the support of many members of ARENA, and we knew that many would follow us if we decided to form a new party….Ultimately, it was [the two former presidents] who

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61 Ibid.

62 Ibid. A career bureaucrat turned legislator, Ávila had no clear affiliations to any of the upper strata constituencies. Members of ARENA’s traditional core constituencies claimed that this made Ávila the ideal “puppet candidate” for Saca and new bourgeoisie. For example, Party founder, Interview by the author, San Salvador, June 18, 2014.

63 Interviews by the author, San Salvador, August 24, 2014.

64 Interview by the author, San Salvador, August 4, 2014.

65 Ibid. This incident has never been reported by the Salvadoran media. The interview subjects requested that I protect the names of the individuals involved in the aborted schism.
persuaded us not to [do it]….Above all, they insisted that the FMLN was too strong and that we would be handing them the election if we divided the votes of the right…but they shared with us our frustration with the [nomination] result and agreed that there had to be repercussions for Saca and his circle.66

Ávila’s nomination, therefore, stands in stark contrast to the nominations of Cristiani, Calderón Sol, and Flores. ARENA’s first three presidential candidate selection processes too had resulted in several unsuccessful candidates and unsatisfied core constituents. But the existence of well-understood power-sharing institutions to regulate competition for the nomination prevented schisms by legitimizing outcomes and favoring the selection of moderate, mutually acceptable candidates.

Though the intervention of the two former presidents helped avoid one schism, by early 2009 it was clear that the upcoming elections would “make the current ARENA unsustainable.”67 In the event that ARENA retained control of the presidency, the party’s traditional core constituents, unwilling to endure five additional years of internal conflict and declining influence, had begun to discuss the formation of “an alternative political vehicle.”68 Simultaneously, in the event that ARENA lost control of the presidency, a small contingent of traditional core

66 Interview by the author, San Salvador, August 4, 2014.
67 Former president, Interview by the author, San Salvador, August 3, 2014.
68 Ibid.
constituents discretely prepared a formal petition to expel Saca from the party.\textsuperscript{69} The significance of the 2009 election was not lost on the new bourgeoisie, who understood that Saca’s influence within ARENA ultimately hinged on his mass appeal. A presidential defeat would put an end to the perception that “Saca was electorally invincible.”\textsuperscript{70}

On March 15, 2009, ARENA suffered its first presidential defeat in two decades. The FMLN candidate, moderate outsider Mauricio Funes Cartagena, narrowly overcame Ávila with 51.32\% of the vote.

As predicted, ARENA’s traditional core constituencies moved swiftly to capitalize on the electoral defeat and reaffirm their control over the party. With Saca’s support among the party base rapidly deteriorating as a result of the electoral defeat, Calderón Sol, Flores, and Cristiani announced the establishment of a new COENA.\textsuperscript{71} Notably, the incoming party leadership would not include any members of the new bourgeoisie.

The new COENA, led by Cristiani, was sworn in during an extraordinary session of the party’s General Assembly on October 11, 2009. The following morning, the faction of ARENA’s legislative caucus most closely associated with the new bourgeoisie declared itself “in rebellion,” threatening to abandon the party and establish an independent caucus unless the new COENA was reshuffled.

\textsuperscript{69} Ibid.

\textsuperscript{70} Top Saca Aide, Interview by the author, San Salvador, August 18, 2014.

\textsuperscript{71} Galeas and Galeas, \textit{Claves de una derrota}, 145-186.
to include several Saca loyalists.\textsuperscript{72} Eager to “purify” the party, Cristiani and the COENA announced that they would not negotiate with the “dissidents.”\textsuperscript{73} Simultaneously, the new COENA received the official request for Saca’s expulsion that had been drafted by leaders of the oligarchy and the bourgeoisie.

On December 14, 2009 the COENA voted unanimously to expel Antonio Saca from the party.\textsuperscript{74} The dissident legislators announced the formation of the Grand Alliance for National Unity (\textit{Gran Alianza por la Unidad Nacional}, or GANA) party and legislative caucus.\textsuperscript{75} The first schism in ARENA’s history was complete.

\textbf{Conclusion}

The evidence presented in this chapter supports the argument that ARENA’s transition from cohesion to schism between 2004 and 2009 was the result of a three-step process. First, the emergence of the new bourgeoisie triggered a period of coalitional adjustment within ARENA. The changing structure of the upper strata placed strong pressures on the party to adjust its decades-old core coalition between oligarchs and capitalists. Second, because exclusive and highly enforced power-sharing institutions greatly reduced the the party’s adaptive capacity, the new bourgeoisie’s initial accommodation into the

\textsuperscript{72} Ibid.

\textsuperscript{73} De Rosa, \textit{30 años trabajando por El Salvador}, 126.

\textsuperscript{74} Galeas and Galeas, \textit{Claves de una derrota}, 145-186.

\textsuperscript{75} Ibid.
party triggered the collapse of ARENA’s power-sharing institutional framework. Third, in the absence of power-sharing institutions, intraparty conflict became pervasive, destabilizing, and unsustainable. ARENA’s electoral defeat in 2009 precipitated the expulsion of the new bourgeoisie and the completion of the failed accommodation schism.

Finally, it is worth noting that the evidence in this chapter continues to highlight the explanatory flaws in the alternative explanations discussed earlier in this thesis. That the schism occurred just as the FMLN—led by one of its most radical leaders—captured the presidency for the first time poses a serious challenge to perceived threat explanations. Similarly, patronage-based explanations cannot fully predict why a party that controls both the presidency and the legislature would experience degenerating levels of cohesion, or why some of its members would opt to lead or provoke a schism regardless of the upcoming electoral outcome. Explanations based on electoral rules or private business organization offer no better guidance, as neither of these variables have experienced significant variation during ARENA’s lifespan. And finally, though there can be little doubt that Saca was a key protagonist of ARENA’s schism, the evidence strongly suggests that he was ultimately an agent of forces well beyond his immediate control.

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76 Though the presidential candidate was Mauricio Funes, a moderate outsider, ARENA elites and constituents widely believed, as I noted in Chapter 1, that Sánchez Cerén would wield full executive power from the vice-presidential office.
Conclusion:
Power-Sharing Institutions in Comparative Perspective

This thesis has argued that variation in conservative party cohesion and schism is the result of power-sharing institutions. Exclusive and highly enforced power-sharing institutions are conducive to high levels of cohesion, but can also provoke schisms by limiting parties’ adaptive capacity during periods of coalitional adjustment. Inclusive and leniently enforced power-sharing institutions are conducive to low levels of cohesion, but they help avoid schisms by enhancing parties’ adaptive capacity during periods of coalitional adjustment. In addition, this thesis has argued that the characteristics of a party’s power-sharing institutions are likely to be influenced by two environmental factors: the existence of violence and redistributionist threats, and the structure of the “upper strata.”

Evidence from El Salvador’s ARENA provided strong support for this theory. Drawing its core constituencies from a small and relatively homogenous upper strata in a context of endemic violence and various redistributionist threats from the left, ARENA adopted a framework of exclusive and highly enforced power-sharing institutions. Between 1989 and 2004, when ARENA’s primary internal objective was to preserve its core coalition between traditional socioeconomic elites, those power-sharing institutions were key drivers of cohesion. Starting in 2004, however, when the emergence of a new constituency
in the upper strata of Salvadoran society compelled ARENA to adjust its core coalition, the party’s power-sharing institutions became constraining: the new constituency could only be accommodated at the expense of existing institutional arrangements. In the absence of power-sharing institutions, intraparty conflict became endemic, destabilizing, and unsustainable, culminating in the 2009 schism.

The final pages of this thesis address, briefly, three questions: What form may a broader, cross-case application of the theory take? To the extent that the theory applies to conservative parties beyond ARENA, what are some of its general implications for party-building and institutional analysis? And, finally, what might this thesis suggest about the future of conservative politics in El Salvador?

**Toward a Comparative Study**

As mentioned in the introduction, a cross-case application of the theory outlined in this thesis will be the task of further research. It is worth exploring briefly, however, what a possible expansion of this project might entail. One of many possibilities is to apply the theory to two paired-comparisons based on three cases: El Salvador’s ARENA, Guatemala’s National Advancement Party (PAN), and Mexico’s Institutional Revolutionary Party (PRI). While ARENA and the PAN are excellent candidates for a “most similar” pairing, ARENA and the PRI are excellent candidates for a “most different” comparison.
**The PAN and ARENA**

The PAN holds striking similarities with ARENA. Both are conservative parties founded in the middle of civil wars and transitions to democracy in similar, neighboring Central American nations. Both were initially successful, winning the presidency in the mid-1990s.\(^1\) The PAN, however, developed inclusive, leniently enforced power-sharing institutions. As a result, and as the theory would predict, the PAN experienced two major schisms early in its history—in 2000 and 2003. Now, in the long-run, though electorally weak, the PAN is internally cohesive.\(^2\)

**The PRI and ARENA**

The PRI and ARENA, on the other hand, are very different parties. Though both are elite based, they differ with respect to ideology, party system, regime trajectory and type (for most of the PRI’s history), state structures (federal vs. unitarian), and historical legacies.\(^3\) But like ARENA, the PRI adopted exclusive and highly enforced power-sharing institutions such as the *dedazo*. As a result, and as the theory would predict, the PRI’s cohesion patterns closely mirror ARENA: a long period of cohesion (though, in the PRI’s case, marked by the

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\(^2\) Ibid., 504-561.

\(^3\) Magaloni, *Voting for Autocracy*. 

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occasional personalistic splinter) followed by a period of declining cohesion and schism that resulted in a major schism in 1989.⁴

Though these are merely two examples that—due to the inevitably limitations of this thesis—have been examined in the most superficial way possible, they do suggest that the theory developed in this thesis may have some comparative value. Through further research along these lines, the theory could also be tested, refined, and improved.

**General Implications**

To the extent that the theory outlined in this thesis applies to conservative parties beyond ARENA, it may have significant implications for our understanding of party-building, institutional analysis, and informal institutions. In this section, I briefly outline what some of those implications may be. In order to test the generalizability of these implications, however, further comparative research will be necessary.

**Parties and Party-Building**

The argument presented in this thesis suggests at least three possible implications for parties and party-building. First, internal organization matters. Though several studies acknowledge the centrality of internal rules and

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⁴ Ibid.; Greene, *Why Dominant Parties Lose*. 

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arrangements for party outcomes, too many analyses of party-building and intraparty dynamics neglect internal factors and place disproportional emphasis on strategy, underlying preferences, path dependence, or structural cleavages. While acknowledging the influence of such exogenous forces, this thesis suggests that any analysis of intraparty dynamics—at least insofar as cohesion and schism are involved—is incomplete without a clear understanding of internal rules and norms.

Second, the argument suggests that certain types of parties may face a tradeoff between cohesion and adaptive capacity, because the types of power-sharing institutions (i.e. those that are highly enforced and exclusive) that are conducive to cohesion during periods of regular environmental change also reduce the ability of parties to adapt when environmental change is rapid or drastic (e.g. during periods of coalitional adjustment).

This, in turn, suggests a third implication: Because periods of coalitional adjustment are spread out across time, parties may face a tradeoff between short-run and long-run cohesion. In the short-run, when parties face fewer periods of coalitional adjustment, highly enforced and exclusive power-sharing institutions

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are conducive to cohesion. But in the long-run, as parties face more periods of coalitional adjustment, highly enforced and exclusive power-sharing institutions are conducive to schism and instability. Similarly, leniently enforced and inclusive power-sharing institutions are more conducive to low levels of cohesion in the short-run but greater levels of adaptability and stability in the long-run.

_Institutional Analysis_

This thesis may also have at least two broad implications for the study of political institutions. First, contrary to much of the “institutionalist turn” literature—and in agreement with scholars such as Levitsky and Fukuyama\(^7\)—this thesis suggests that institutionalization or institutional rigidity can be, so to speak, a double-edged sword. While the stability and predictability offered by strong institutions can be a critical asset during periods of environmental stability, they can have destructive and undesired consequences when institutions fail to adapt to rapid or drastic changes in the environment.

Second, this thesis suggests that institutional analysis could benefit from combining components of the rational-choice, historical institutionalist, and power-distributional approaches. While scholars often position themselves neatly in one of these camps,\(^8\) this thesis aims to highlight the virtue of recognizing that,

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\(^8\) See, for example, Mahoney and Thelen, eds., _Explaining Institutional Change: Ambiguity, Agency, and Power_.

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more often than not, individual preferences, historical legacies, and underlying power structures all play a role in determining political outcomes.

Informal Institutions

Finally, the theory advanced in this thesis—particularly as it interacts with the ARENA case—may shed insights into the origins of informal institutions. As Helmke and Levitsky noted in their study of informal institutions across Latin America, we continue to know very little about where institutional informality comes from or how informal institutions change.9

The ARENA experience suggests that the same environmental conditions associated with the emergence of exclusive and highly enforced power-sharing rules may also be conducive to the formation of informal power-sharing institutions. Consider, first, violence and redistributionist threats. In comparison to informal institutions, “parchment” rules may have at least two significant disadvantages: they may be perceived as rigid (though, as this thesis has shown, this can be a faulty assumption) and their adoption may rely on slow deliberative processes (e.g. committees governed by protracted rules of procedure). In contexts of extreme violence and redistributionist threat, these factors provide powerful incentives for actors to eschew formal institutions.

Similarly, consider social structure. First, when rules are designed to benefit a small, homogenous group of elites—such as ARENA’s core constituents—institutions may be particularly unpopular. It is in the best interest of elites,

therefore, to minimize outside actors’ awareness of the rules of the game. Informal institutions are better suited to accomplish this objective: whereas “parchment” rules are communicated through official public channels, informal rules tend to be communicated through unofficial private networks.\textsuperscript{10} Second, the dense social networks common among small and homogenous populations lower the cost of communicating and enforcing informal institutions. In ARENA, for example, the powerful social networks among oligarchs and capitalists facilitated the dissemination of informal rules, created powerful social pressures for compliance, and provided effective mechanisms for enforcement. By lowering the costs of institutional informality, therefore, certain social structures may disincentivize the adoption of formal rules.

To the extent that these inferences are representative of conservative parties beyond ARENA (as well as institutions beyond conservative political parties), they could contribute to our understanding of the complex relationship between institutional informality and regime dynamics, executive-legislative relations, and the rule of law.

**The Future of Conservative Politics in El Salvador**

Finally, what might this thesis suggest about the future of conservative politics in El Salvador? After the 2009 schism, ARENA began a conscious

\textsuperscript{10} This insight is consistent with several of the informal institutions examined in Helmke and Levitsky, eds., *Informal Institutions & Democracy*, such as the “ghost coalitions” in Ecuador and the PRI’s *dedazo*.
process of power-sharing institutional “reconstruction.” The “second generation” of power-sharing institutions that has begun to emerge since 2009 differs from their earlier counterparts in three crucial ways. First, they are less exclusive: non-core constituencies are increasingly brought to bear upon competition for candidacies and other party resources. Second, they are less highly enforced. And third, they are less informal: the party’s constitution, for example, has now been amended to include the double-presidency ban.

The new institutions regulating the selection of legislative candidates, first implemented in the 2014 electoral cycle, are illustrative of these changes. Under the new mechanism—which was formally announced via an official directive—the COENA as a whole filters potential candidates (who may come from any sector of the party and may nominate themselves) based on their “perceived integrity.” Once a preliminary list of candidates is finalized, final nominees are chosen via party primaries where delegates cast secret ballots. The list order is then determined based on the number of votes obtained by each candidate.

What explains these changes in the characteristics of ARENA’s power-sharing institutions? The theory presented throughout this thesis would point to

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11 Current ARENA mayor, Interview by the author, August 6, 2014.
12 Current COENA member, Interview by the author, June 23, 2014.
13 Unsuccessful ARENA candidate, Interview by the author, August 28, 2014. According to a civil society leader who (unsuccessfully) participated in this process, the preliminary background check consisted only of a criminal and financial record review.
14 Ibid.
15 Ibid.
environmental factors: the Salvadoran upper strata is larger and less homogenous than it was in the 1980s, political violence is no longer a regular concern, and redistributionist threats, though still significant, are less pressing.

Meanwhile, GANA has consolidated itself as El Salvador’s third most electorally significant political party. Currently, its legislative caucus consists of 11 legislators—amounting to a “swing bloc” that has enabled the FMLN government to approve important laws—and the party is projected to increase its presence in the National Assembly in the future.\(^{16}\) In 2014, GANA’s presidential candidate—Former President Antonio Saca—won 11.44% of the vote, enough to divide conservative voters and force a run-off election for the first time since 1994.\(^{17}\) In the 2015 legislative elections, GANA is projected to obtain between 10 and 15 deputations.\(^{18}\)

What do these changes suggest about the future of El Salvador’s conservative politics? The 2009 schism, though initially destabilizing, has ultimately strengthened ARENA by resulting in a second generation of power-sharing institutions that is less exclusive and less strictly enforced: though these new institutions may preclude ARENA from achieving levels of cohesion as high as those it experienced 1990s, the theory advanced in this thesis predicts that the party will be better equipped to adapt to new changes in the environment and avoid future schisms going forward. This, in turn, may enhance long-term

\(^{16}\) El Faro Pundit, Interview by the author, San Salvador, June 27, 2014.

\(^{17}\) Ibid.

\(^{18}\) Ibid.
stability of ARENA, Salvadoran conservative politics, and El Salvador’s democracy.¹⁹

What about the effect of a divided right? The FMLN has deftly capitalized on the division between ARENA and GANA, forming a legislative coalition with GANA that has allowed it to exercise effective control over the legislature since 2009. If ARENA is increasingly seen as an ineffective electoral and political vehicle by its core constituents, commentators fear that the party may begin to decline and that the partisan right may become more fragmented.²⁰ The evidence, however, suggests that this is unlikely: in 2014, ARENA demonstrated its ability to compete for the presidency (it trailed behind the FMLN by mere 0.22% of votes) and projections for the 2015 election predict another strong performance for the party.

In his seminal 1996 study of Latin America’s then-budding conservative parties, Edward Gibson wrote:

It can be said that conservatives “discovered” party politics in many countries in the 1980s. It might be too much, however, to expect stable patterns of party development to result from this throughout the region. At this stage in Latin America’s tentative

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¹⁹ Because ARENA’s second generation of PSIs is new, however, greater institutionalization and the consolidation of enforcement will be crucial. In 2014, for example, the G-20 forced the resignation of Norman Quijano for Mayor of San Salvador and appointed a member of the bourgeoisie, Edwin Zamora. This directly breached the newly minted PSI, and such actions will get in the way of institutionalization.

reencounter with democracy, the only certainty is that conservative party politics will continue to be a fluid and often unstructured affair.\textsuperscript{21}

Even as democracy has consolidated throughout the region, Gibson’s prediction has been corroborated by developments in countries as diverse as Argentina and Guatemala.\textsuperscript{22} Despite its 2009 schism, however, ARENA has long challenged this pessimistic prognosis. The success of partisan, democratic conservative politics in El Salvador, this thesis has argued, has hinged and will continue to hinge on power-sharing institutions.
Bibliography


